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Daily Report
Latin America

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European Group, Chile Sign Scientific Cooperation Agreement

PY2407141693 Santiago EL MERCURIO in Spanish 30 Jun 93 p C9

[Text] The Foreign Ministry reported that a supplementary and amendatory agreement to the 1963 agreement was signed between the Chilean Government and European Southern Observation (ESO). Under the agreement, Chile will be allotted observation time for its researchers for the first time.

This agreement was the result of negotiations by delegations from Chile and the ESO on the installation of the largest telescope in the world, "The Very Large Telescope" [preceding name published in English] (VLT/VLTI), on Paranal hill in the Second Region, in Antofagasta.

Another objective of the negotiations was to foster cooperation ties between the ESO and Chile, which will benefit the latter and the eight ESO member countries.

According to an official communique issued by Chile's Foreign Ministry, the agreement includes the following points:

—Construction and installation of the VLT. The Chilean Government reiterates its unconditional support for the development of the VLT/VLTI project on Paranal hill, which will entail an investment of 570 million Deutsche marks, equivalent to $330 million.

—Scientific aspects. In the course of negotiations, the Chilean delegation brought up the need to allow the Chilean scientific community a fixed percentage of observation time at all ESO facilities. It was agreed that 10 percent of ESO's available observation time will be allocated for researchers who are members of Chilean institutions on the basis of meritorious projects. They will be able to use each and every telescope that has been installed or will be installed in "La Silla" and "Paranal" with the exception of the VLT and VLTI (Giant Telescope).

—Likewise, researchers who are members of Chilean institutions will be entitled to 5 percent of the VLT and VLTI observation time. This percentage will be gradually attained from the moment the first telescope goes into operation in five years' time (it is scheduled for 1998). This percentage may be increased to 8 percent if there are enough high-quality proposals by Chile that merit consideration.

—Cooperation between Chile and the ESO. The ESO will continue contributing to the development of astronomy in Chile by means of training programs and financial aid channeled through a joint Chilean-ESO committee.

The agreement also provides that the Chilean Government will increasingly appropriate financial resources for teaching and research activities in the field of astronomy and related disciplines and technologies, with a view to strengthening the efficient use of astronomy facilities in Chile by Chilean researchers.

The communique states that the agreement will provide a sound basis for scientific and technological cooperation between European countries that are members of ESO and Chile.

The agreement will be submitted to the Chilean Congress and the ESO Council for ratification.

Germany, Belgium, France, The Netherlands, and Sweden signed an agreement in Paris on 5 October 1962 establishing the ESO. Denmark joined the ESO in 1965 and Switzerland and Italy followed suit in 1982.

Chile and the ESO signed an agreement on 6 November 1963 whereby our country facilitated matters for ESO to build and operate an astronomy observatory (La Silla) in Chilean territory.

According to the communique, on 11 November 1991, the Chilean Government saw fit to file a request before the ESO for the amendment of the 1963 agreement in view of the construction of the Paranal Hill observatory and to include some important aspects for Chile, especially in the domain of science and technology.

The first round of negotiations were held in Santiago on 18-19 April 1992 with the participation of the ESO director general, council members, and a group of advisers and representatives from Chile's Foreign, Education, and Labor Ministries, the General Secretariat for the Presidency, and legal and scientific advisers.

The communique further states that delegations from the Chilean Government and ESO met again for a new round of negotiations at Chile's Foreign Ministry last 18-19 June, and they agreed upon the text of the supplementary and amendatory agreement to the 1963 agreement.

Bilateral Agreement Protecting Investors Signed With UK

FL2407000693 Bridgetown CANA in English 2148 GMT 23 Jul 93

[Text] Port-of-Spain, Trinidad, July 23, CANA—Trinidad and Tobago and the United Kingdom Friday signed a bilateral agreement for the protection and promotion of investment between both countries.

"In essence, the agreement provides certain assurances to private sector investors from both countries that they will be protected from arbitrary nationalisation," said Ministry of Finance Minister Ken Valley at the signing ceremony.

Stating that the agreement with the United Kingdom would serve as a basic model for similar agreements, Valley, who is responsible for investments, said it was government's intention to move very quickly to establish other agreements with as many states as possible.

"Several countries have already signaled their willingness to enter such agreements with this country.

"These include Germany, France, Switzerland, Canada and the United States," he said.

Valley said while the agreement provided very tangible benefits to the investor, it would immediately reduce the cost of export credit insurance by 10 per cent.

He said at a time when global competition for investment was becoming even more intense, the agreement could not be lightly dismissed.

"It is no coincidence that this agreement is being signed at this time. Rather, it must be viewed as an integral part of the concerted strategy currently being pursued by this government to transform the environment for private sector investment in Trinidad and Tobago," he said.

"Much has already been accomplished over the last eighteen months. Fiscal, monetary and exchange rate policies have established a credible macro-economic basis for sustainable economic growth.

"In addition, the institutional environment is currently undergoing considering re-fashioning (while) the financial sector is being revolutionised and the investment facilitation process is being streamlined."

Caricom Seeks Increased Trade, Investment by Japan

FL2407000493 Bridgetown CANA in English 2008 GMT 23 Jul 93

[By Paget de Freitas]

[Text] Kingston, Jamaica, July 23, CANA—Japan and the Caribbean Community (Caricom), the grouping of English-speaking Caribbean states, are talking about a structured approach to their relationship and officials from both sides are confident of an eventual mutually beneficial agreement.

Caricom would like to see more Japanese investment flow to the region and more Caribbean exports reach Tokyo.

"You don't get married after the first date but a relationship has begun," Caricom Secretary General Edwin Carrington told journalists Thursday night at the end of two days of meetings between Japanese and regional officials.

Added Terusuke Terada, who heads the Latin American and Caribbean desk in Japan's Foreign Ministry: "We are here to be educated. This meeting has produced an educative effect."

A few Caricom countries, particularly Jamaica and Trinidad and Tobago, have been able to attract some Japanese investment, but minuscule by what Tokyo has pumped in other regions.

In Jamaica, the Japanese have invested mostly in the production of Blue Mountain coffee of which Tokyo takes almost all of Jamaica's production. The Japanese have also provided loans for infrastructural development to enhance the tourism industry.

In Trinidad and Tobago, investment has gone into the fishing industry. Investment apart, Caricom officials are concerned with narrowing the trade balance between the region and Tokyo.

According to Caricom Secretariat data, the community's trade balance with Japan in 1990, the last year for which figures were available, was a negative EC534.2 million dollars (one EC dollar ; 37 US cents) - a 200 million EC dollar decline from five years earlier.

In 1990 the Caribbean exported a mere EC62 million dollars to Japan, more than double the 1985 amount, but below the EC117.4 million dollars in 1987 when there was a sharp rise before dipping over the next three years.

Japan in 1990 was a market for just over a half of one per cent of Caricom's exports, while the community sourced nearly five per cent of its imports from the Asian country.

The Japanese mostly bought Jamaican Blue Mountain coffee, Sea Island cotton from the Leeward Islands and Barbados, wire and steel rods from Trinidad and Tobago as well as chemicals.

"We have nothing but positive responses from the Japanese side regarding the efforts they will make to deal with the trade imbalances," according to Trevor Spencer, the permanent secretary in Trinidad and Tobago's Foreign Ministry.

Caricom officials, at least publicly, side-stepped the issue of the notorious difficulty of entering the Japanese market, but underlined the need to learn how it operated.

"We do not have enough information on the market," said Derick Heaven, Jamaica's ambassador to Japan and Caricom's sole Tokyo-based diplomat. "We are now in the process of doing the kinds of things to provide that information."

Cuba

Castro Gives Speech at Moncada Barracks Anniversary

PA2707043293 Havana Radio Havana Cuba in Spanish 0044 GMT 27 Jul 93

[Speech by President Fidel Castro Ruz marking the 40th anniversary of the assault on the Moncada and Carlos Manuel de Cespedes Garrisons at the Heredia Theater in Santiago de Cuba—live]

[Text] Distinguished guests, Comrades: We wanted a simple, quiet event, a solemn but austere event to address you. We would have liked to invite all those who attended the Sao Paulo Forum. We would have liked to invite the diplomatic corps. We would have liked to invite many reporters, but that would have meant expenses in air transportation, fuel, and all that, and above all we wanted austerity. We would have liked to have all the people of Santiago de Cuba join us as they have done on other occasions, but we all know that we are having transportation problems. We did not want a huge mobilization. It is not easy to speak during a huge demonstration. One has to make a huge physical effort to speak at a huge demonstration.

As has already been said, we are marking the 40th anniversary of the beginning of our armed revolutionary struggle and 34 and ½ years of revolution. A colossal job has been done in those years. This is not the moment for recalling what has been done. This is a moment for thinking about how we are going to defend what has been achieved. Many things were possible, in spite of the unjust and cruel blockade, because there was the socialist camp and, especially, the Soviet Union. The Soviet Union was a formidable support that allowed us to resist not only the blockade but also countless aggressions by imperialism. That allowed us to forge for ourselves a place in the history of past decades. Our country's prestige grew considerably. Cuba was barely known throughout the world, and it was not known for its best virtues.

The socialist bloc crumbled. I will not tell you that the socialist bloc, or better said, the socialist countries in Eastern Europe, were products of authentic revolutions. However, the USSR was the result of an authentic revolution. I recently had the opportunity to talk about the prowess of the USSR when I answered a question at the forum. I talked about what the USSR did for itself and for the world, what it did in its historic struggle against fascism.

There is what it did for us. However, that authentic revolution has also crumbled, or, to be more exact, was made to crumble. This was a terrible blow for our country, in every sense. It affected us politically, militarily, and, especially, economically.

I do not want to mention statistics but it is necessary to recall how our country, which in 1989 imported $8.139 billion in goods, only two years later received imports amounting to only $2.236 billion.

And this severe reduction did not happen over a three-year period: It came about, practically, in one year: from 1991 to 1992, but to be more exact, from 1990—when the reductions began. However, the really severe reductions took place when the Soviet Union disappeared. It was then when we were subjected, practically, to a double blockade.

The year 1992 was a hard year.

As if this trial were not enough, we additionally had to endure very adverse circumstances of another nature that further aggravated our situation.

The second half of 1992 was dry. The first half of 1993, from a climatic point of view, was really hellish. The so-called Storm of the Century swept through the island, from one end to the other, during a season that is not a storm or hurricane season.

Our sugar production, which in 1992 was 7 million tons of sugar, something that was described as a true feat, was considerably reduced: During that 1991-1992 harvest we produced 7.03 million tons of sugar. The 1992-1993 harvest yielded only 4.28 million arrobas, that is, 2 million—I said arrobas; I meant tons of sugar. That is, we produced 2.75 million tons less.

It is true that we had not planned on 7 million tons for this year. We were suffering the consequences of a deficit in fertilizers and other problems. We hoped for a harvest slightly higher than 6 million tons. Revenues were down by approximately $450 million this year and under these difficult conditions, in a situation in which our imports had practically been reduced to 25 percent. I repeat: This year we received $450 million less in sugar revenues alone, and approximately $1.719 billion are expected this year in imports.

The storm of the century had already affected us for an estimated $1 billion. It swept away a sizable portion of the tobacco harvest, the plantain farms, and other crops. It caused considerable damage to homes and industrial, agricultural, and social facilities. That compounded the situation even more.

There were other adverse factors. Nickel prices dropped more than $1,000 per ton, partly as a result of the surplus minerals former socialist countries had and were throwing into the market from their reserves. It reduced the price of that raw material considerably. Nickel sulfur prices dropped almost $2,000 per ton. Shrimp prices dropped $1,600. Lobster prices dropped more than $500. Practically all the export prices' dropped, regardless of the other effects I mentioned such as tobacco. That reduces exports.

That is the situation I am telling you about clearly and honestly. I am not doing it to sadden or discourage you but to let you know the truth. I know there were great expectations surrounding this event marking the 40th anniversary in Santiago de Cuba, not only in Cuba but outside Cuba. Well, at least it proves that the Cuban revolution does exist and that Cuba is something.

There was talk about packages of measures, miraculous formulas. There are no packages of measures and there are no miraculous formulas, nor can there be. In other words, if we truly could magically pull things out of a hat, the first thing we would do is liberate the world of imperialism without shedding a single drop of blood. [applause]

We would not be excessively considerate to capitalism or its agents either, although we cannot say this very bluntly here, in front of our friends from the Sao Paulo Forum, and it is not that I think they are capitalists—may God keep me from accusing them of that [laughter]—and Father D'Escoto even less, or Father Pizarro, two or our illustrious guests this evening, and the two are priests. [applause]

As I said recently, right now, under the current circumstances, they cannot contemplate the construction of socialism. There are no and there cannot be any miracles. The only miracles possible are those produced by man's dignity, intelligence, and honor.

There are ideas, objectives, strategies, and wills. There is the need to make greater efforts and to face problems.

One of the most serious problems we have—and the people must begin to know more about this, although I think that the people know pretty much about it, but not enough, I believe—is our most grave foreign exchange shortage. I say foreign exchange because that is the only kind of currency we can use to make purchases.

Before, there were foreign currencies and agreed-on foreign currencies—the ruble, the mark. The currency of the socialist countries was agreed-on foreign currency, or foreign exchange.

When the Soviet Union and the socialist bloc disappeared, the agreed-on currencies disappeared. Some agreements of this nature are still in effect, with China and Vietnam. However, the bulk of our trade was with the European socialist countries and with the Soviet Union. Nowadays we have to pay everything with foreign exchange, to the last cent. We have to pay with the money we receive from the sale of goods whose production, as I have said, has been reduced, and these sales have been negatively affected by the international economic crisis.

Many things have to be bought with foreign exchange. We have to buy, first of all, fuel, so that the country may keep moving. If there were no fuel we would have a unique problem, a problem different from those we endured during the first years of the revolution. During the first years of the revolution, by selling our sugar at world prices we were able to buy 8 tons of fuel for each ton of sugar. I have to insist on this; I have to make it clear. Nowadays, fuel has monopoly prices and sugar has garbage prices, marginal prices, as I have often said. Now, with 1 ton of sugar we can buy only 1.4 or 1.5 tons of oil. The country did not have this kind of problem in 1959 or in 1960, or when the blockade began and the Soviets came to our aid and bought sugar from us. At that time they paid for our sugar at the world market price and began to sell oil to us.

Later, as our relations improved, we began receiving really fair prices for our products: sugar and other products. When the oil prices boom occurred, our sugar prices also went up, as a result of the agreements we had with the Soviet Union.

Now our sugar has a very small purchasing power in relation with oil. If at this moment the oil-sugar price ratio were what it was in 1959 or 1960, our difficulties would be considerably smaller because with 1 million tons of sugar we could practically buy the essential amount of oil we need under these circumstances.

That is one of the country's serious problems. We must purchase oil, food, medicine, raw material, and spare parts with foreign exchange. We must purchase everything with foreign exchange. How have we managed so far without these [words indistinct] the country's import capacity? It is unbelievable, a real historic capability, that despite the great sacrifices, the country has been able to function in an organized manner. That is one of our tasks. The problems caused by the collapse of the socialist bloc will not be solved from one day to the next, in a few days, a few months, or even a few years. When will we be able to import $8 billion again? We must think about that. All those who want to help the country and the revolution in good faith must think about it. When will we be able to do it again? The country has not lost hope for doing so some day. But now is not the time.

If we must seek convertible foreign exchange through various routes, we will. Tourism grows and increases revenues by a high percentage each year. Our gross revenue from tourism is nearing the 500 million pesos mark. In 1993 our gross revenue from tourism will be more than 500 million pesos, or dollars; $500 million in gross revenue, in net revenue. Tourism is growing at a rate of 30 and 40 percent a year. However, it is insignificant when compared to what we have lost in exports. Our production of oil has grown, however, it is still very little when compared to the huge demand for oil. For our economy to make progress, for our economy to be functional, with at least little difficulty, we must import at least 7 million tons of oil. We were using approximately 14 million tons of oil. This oil came from the USSR. Our population had grown. Electricity was available in 95 percent of homes. We built our electricity network and our generators to bring electricity to 95 percent of the homes. That is an increase and our oil production helps. At times we must start up certain power plants. They help generate electricity but do not fully meet our needs.

This is why we must increase our income in convertible foreign exchange. It is vitally important for the country. Some of the measures that we have talked about lead to this. We have mentioned the famous de-penalization for the holding of convertible foreign exchange. That sole word, that sole phrase has unleashed much speculation and rumor. It is one of the measures to improve the entry of convertible foreign exchange.

Another way is to increase the number of permits for family visits to Cuban citizens, or people of Cuban origin, who reside abroad. Another measure aimed at this is a greater opening to foreign capital investment. Who would have thought that we, so doctrinaire, we who fought foreign investment, would one day view foreign investment as an urgent need? We received (?factories), loans, and many other things from the socialist bloc, but it has disappeared and we are getting nothing. We are getting nothing from the non-existent USSR and socialist bloc or from any international financial institution, which are all dominated by the United States. Well then, greater opening for foreign investment is one of the solutions we have to tackle the difficult situation we face. We must also promote all productive and service activities that will generate convertible foreign exchange and make a greater effort to build tourist facilities and create employment. We must give these measures a strong boost.

We can also implement several measures involving our internal economy and services; we have not excluded such measures. I do not wish to get ahead on matters that must be carefully analyzed and weighed, even though we must act quickly. Acting quickly does not mean being sloppy or acting rashly. We must not do things that we will regret later because consequences were unforeseen.

Among other things, we must confront the excess currency problem. It could be harmful if it gets out of hand. In 1970 we had excess currency. We had some 3.5 billion [currency not specified]. Today we have more people and our economy has grown. However, circulating currency is three times more today than it was in 1970. It is somewhere in the range of 9 billion pesos. In 1970 it was possible to reduce the excess currency in circulation in ways that are not easily accessible to us now.

Why did the excess of circulating currency grow? Because not even during the special period was the revolution willing, nor is it willing now, nor will it ever be willing to sacrifice the people. In other countries they would have adopted the famous shock [preceding word in English] measure. They would have liberated prices, which would have had terrible effects on the retired and low income sectors. They seek a balance between supply and demand, mercilessly sacrificing the vast majorities.

However, our revolution did not leave a single worker destitute, not even during the special period. Nor did it forsake a single citizen—not a single pensioner, not a single child, not a single mother, not a single low-income family nucleus. It did not leave a single university graduate—or the thousands upon thousands of doctors, engineers, and specialists of all kinds who have graduated from our universities—without a job. Their jobs are guaranteed. They have the right to acquire whatever small amount is theirs—without having to request it. They receive it through their [six-second break in transmission] consumer goods provoked a [words indistinct] accumulating. Many people in this country live with what they have, but there are people who avail themselves of the situation to speculate in many [17-second break in reception].

The famous de-penalization of hard currency was widely commented upon. What are the sources of this hard currency? There are various [five-second break in reception] foreign investments, a large number of offices and personnel which work in offices, and specific income in foreign currency received [three-second break in reception]. Tourism is an extremely important source of convertible currency, which reaches the people in many forms. Transfers or remittances of money from abroad is an extremely important source of convertible currency in the country, one of the sources that exist in the country, and it circulates in the country—or, to say it better, it is in the people's hands.

A system was established for some time: Money could be sent in hard currency and it was collected in dollars in Cuba, but in a special period situation the dollar.... [pauses] the peso loses a lot of its value and then no one sends hard currency to be exchanged for pesos. Other means are sought to send them. They enter the country practically in a clandestine way that is impossible to prevent because hundreds of thousands of tourists travel; and all that is necessary is for a small portion of those tourists to travel with the intention of distributing or redistributing.... [pauses] let us say distributing foreign currency, and they can do it. We will not dedicate our police to persecuting all the convertible currency that enters the country through the tourism sector because we would have no tourism.

The famous tips are a world-wide custom which we countered for a long time but it is a reality that eventually prevailed. There were also mechanisms and many restaurant workers changed the hard currency tips au par with the Cuban peso. However, as the Cuban peso lost value, less and less hard currency was exchanged for pesos, and it was accumulated and circulated in one way or another. There are stores for tourists, and sometimes the workers personally told the tourist: Buy me a pair of shoes or buy me this or that. Do me a favor. Do not give me money because I cannot buy anything with money. Do me a favor. Buy me that. If you are going to give me a tip give it to me in products. That is what they told the tourists, and this does not precisely help tourism. There were other ways of bringing money and products into the country.

The packages have existed for a very long time and there was a high charge for them, especially because they were luxury items—at least not as essential as medicine or food. At a certain moment following the special period we maintained the high cost for the right to send other merchandise; however, there was a considerable reduction in costs for sending packages with medicines. Not too long ago this also held true for food packages. If there is a shortage of medicines and thousands of packages arrive with medicines, this causes no harm to the country—this benefits the country at a time when we have a shortage. It would not make sense otherwise; it is some aid, we need to take into account it is medicine. There are people who are very subjective with the question of medicines. They believe that if they do not have a certain brand they believe they will not get better. One of the measures taken was to reduce to a minimum the cost of sending packages of medicines. Food packages were also authorized a minimum charge. The same thing applies, if a few thousand families—1,000, 10,000, 100,000—may receive a food package; this does not harm the country.

But forwarding money is something that is done everywhere. There are many countries in the world where most of the income in convertible foreign exchange is money remittances from abroad. Mexicans, for example, send billions [currency not specified] back to their country. Dominicans send plenty as well—another group of citizens who migrated for economic reasons. Cuba has had various types of migrations abroad. Prior to the revolution many people migrated for economic reasons, despite the fact that they were not allowed in, or their entry was very much restricted. After the revolution a number of people left due to political reasons. They migrated for political reasons, beginning with the Batista followers, and then all those who because of the revolutionary laws, the agrarian reform laws, the urban reform laws, and all those measures that affected the country's privileged sectors, marked the start of a significant political migration. But because imperialism fully opened the doors for all those who wanted to leave Cuba including medics, doctors, professors, engineers, technicians—all those who wanted to leave—many people took the opportunity the revolution provided to migrate. They migrated really for economic reasons. The migration phenomena takes place all over the world, from lesser developed countries, from poorer countries, to the richer countries.

Today, one of the biggest tragedies of the developed capitalist world is that hundreds of millions of people want to emigrate there and they are not allowed in. Many do so illegally, as best they can. The Americans built a huge wall along the Mexican border that is 2,000 or 3,000 km long. At one time they also left the doors wide open to all those who wanted to emigrate from the socialist countries; today those doors are closed completely. Today they are building a virtual wall that goes from the Baltic Sea to the Mediterranean Sea and drafting laws so no person can emigrate from the former Eastern European countries to the West.

This creates huge problems in Europe, in Germany, with the immigration, with all the existing unemployment, which has caused violence, xenophobia against the immigrants who are precisely the ones who perform the worst jobs—jobs the citizens of these countries refuse to do. It is a worldwide phenomena. There were also many Cubans who migrated for economic reasons. Regardless of the fact that political migration began to evolve to become economic migration, once they establish themselves, once they have businesses, they do not even care whether they return to the country or not. They then also become an economic force.

We—precisely due to our conflicts with the United States and conflicts with the worse elements of that emigration, those who used to be politicians—had been very strict regarding all this matter of transferal of money, although it was not prohibited and it was carried out in a normal fashion in specific amounts through the banks. This is a source of foreign exchange, of those currencies that are going around.... [pauses] One goal of de-penalizing foreign exchange, among others, is to avoid an enormous amount of police work. In this way we avoid having a large part of our police force chasing foreign currency throughout the nation, the courts sentencing people for holding foreign currencies. The same way other matters have been de-penalized, this can also be de-penalized. The idea is that it is no longer a crime to hold foreign currency, to exchange currency that is held, or even to open accounts in foreign currency. I prefer to have them in bank accounts in foreign currencies. [words indistinct] foreign currency, if there is no opportunity to use it. This makes no sense. But now it has. As a result of tourism, many stores have been opened in the nation. As [words indistinct] one way or another, those who have foreign currency purchase in those stores.

There are the techno-stores, various types of stores, including the famous Oro [gold] Stores that were so controversial at one time, in those happy days. It would be nice if we were living in the days of the Oro Stores. There were hundreds of millions of dollars in gold then.

The Oro Stores secured important resources for the country's economy. There is not much gold now, but there is more foreign exchange and there will be increasingly more foreign exchange. The idea behind this is to acquire foreign exchange, not by confiscating it, but by the operation of commercial networks that we do not have.

There is a fair number of tourism-related stores. We would have to use this tourism network, other networks that already exist, and institutions that would have to be created for that purpose.

The idea is to acquire foreign exchange for the country. This is reason for the de-penalization of possessing foreign currency.

This has been analyzed carefully. Should the foreign currency be accepted just as it is, the same color, the same bill? A majority of experts are in favor of issuing either a convertible Cuban currency or certificates like those used by Cuban citizens who save part of the foreign exchange they receive for traveling abroad. For a long time this has been permitted. Sailors, airplane crews, and others for some time have had authorization to buy in some stores. To do this they require certificates, and they exchange the foreign currency for the certificates.

The majority is in favor of issuing a convertible national currency, but all this takes time, much time.

We must see how some things can be handled. However, since we do not have that national document, it may be necessary to use foreign currencies—some convertible foreign currencies, not one but several—until we can have a national convertible currency issued by the Cuban state. But that takes time, and the measures we must take must be taken now.

There are several steps. I tried to get ahead at the National Assembly. I had no idea it would create such an uproar in the country and abroad, but I said it and I meant to say it. It was not a slip of the tongue. I had planned to talk about it today. I had planned to talk about it in general terms. I wanted to talk about some general policy principles. However, we did not have time, and I am glad I said it then because many opinions have been expressed since then.

But that does not mean the Cuban peso will be replaced even if you have to pay your bus fare in foreign currency and if you have to buy your booklet with foreign currency. Everyone will continue to pay expenses in local currency. Everyone will be paid in local currency. I wish we had all the millions in the world to pay everyone in convertible foreign currency. How lovely it would be. There would be no more power outages and we would lack nothing. If we could print our own foreign exchange many of our problems would be over. All our problems would be over if we had a machine to print dollar bills, but those little machines are in Washington and apparently they are very difficult to copy, and legally they cannot be copied. So we have to resign ourselves to not having a machine to print dollars, pounds sterling, or German marks. We do not want to, plan to, nor should we break any laws. You must know that I am only joking about this. What I am trying to say is that we must obtain those countries' currencies with a more developed economy through the procedures we have been talking about, but not to replace our national currency. The peso will continue to be our national currency. Some day we hope—life and experience still has lots to teach us—to have a national convertible currency. Once that is done, anyone coming to the country can change their foreign currency for our national currency. The Chinese use that system. The tourists and everyone exchange their money for local currency. The situation may not be the same; there are huge differences between one country and another. The Chinese have their currency, and all foreign exchange entering the country must be exchanged for Chinese currency. We have not given up that idea. However, the peso will continue to be our national currency.

Some people will want to buy and pay with dollars, but that would not be correct. There is no reason why one should pay in dollars or convertible exchange. However, someone will come up and say: Hey, I will fix that old car for you. You cannot have the police chasing around after people who fix old cars and who ask to be paid in foreign exchange, or chasing around after those who paid in foreign exchange. The police have better things to do. It has to be solved in other ways, not through repression. However, a great deal will depend on the people. It will be up to the people whether they want to be fooled, blackmailed, or pressured.

All services, except in the tourist network, will be consigned to foreign currency. We have our experience with tips. We opened a store to see what would happen, and it is working just great. Yesterday the workers were talking about how tips are divided. They have a right to purchase in that store. We have that experience.

All these economic matters [words indistinct] are open to comments from everyone. I wanted the Cuban people to give us their opinion, but not about politics. All their life they have been giving their opinion on politics and ball games—well, not really on ball games. They give the manager lessons, and many times they are right. [laughter] Many times our amateur player knows more than the manager. Even I, who am only an amateur, get all heated up when I hear the manager call out a play I do not agree with. [laughter] But the Cubans will give their opinions about these economic matters. It is not only the common citizen who gives his opinion. Opinions are voiced by thousands and tens of thousands of people who have studied economics. [laughter] I must laugh, right?

I used to ask where they had studied economics [words indistinct]. The truth is that we have excellent, very intelligent comrades. But goodness, look where they went to study economics. They did not go to Harvard, which is where capitalist economics are taught. [laughs] They went over there [not further identified] to study socialist economics. Now it turns out that socialism does not exist, and I ask myself: How can we use socialist economics in our situation and in the special period? [applause]

[Words indistinct] in the study of economics there are a lot of general [word indistinct] and one of Karl Marx's characteristics was that he studied capital. So it is assumed that a Marxist economist knows a lot about capital, if somebody in this world knows anything about capital. I dare say that I have absolutely no doubt that Marx knew a great deal about capital, but about capital as it existed then, which is very different from that which exists today. This one is [words indistinct]. [laughter] This one is even more [word indistinct.]

Well, we have this problem. We have many people who have studied political science and economics, and they have their own opinions. It is good that they have opinions. We are glad they give us their opinions, and we hope they will be able to help us significantly with their opinions. Right now, however, approximately 1,000 political economics schools have appeared—I say 1,000 to give a number. Wherever three or four economists meet, a school appears, and those economists have a plan or a formula for solving our economic problems.

Look, despite our scarce convertible foreign exchange, if somebody would give us the solution to our complex and difficult problems, we would pay them millions of dollars every year. We would do so if they made the miracle happen and found solutions to our many complex, difficult problems.

As I said, however, there are 1,000 economics schools. Some of them favor the redistribution of our foreign exchange prior to collecting it. I have said this in jest to several comrades. Others talk about a parallel market. I wish we could make parallel markets. We would quickly resolve our problem. We would not have the problem of excess currency in circulation with prices that are well under the ones sold on the black market. In just a few months we would no longer have excess currency in circulation if we were able to install parallel markets here.

But what would we sell in a parallel market? We have to sell merchandise. Where do we get the money to buy that merchandise? Some, with a great deal of logic, say: Money is sent in packages to the country. Use part of that money to establish the parallel market.

However, we have much more urgent needs that must take priority. Where do we get fuel for electricity? Where do we get foreign exchange for the food we distribute through the ticket system? Where do we get foreign exchange for the medicine we need every day? We know there is a shortage of approximately 300 medicines. Where do we get the raw material [words indistinct] cotton, fertilizers?

We are in a situation where we have had to reduce imports from more than 8 billion to less than 2 billion [currency not specified]. The foreign exchange we collect from [words indistinct] we use to buy medicine [words indistinct]. Yes, we could reduce the amount of excess currency in circulation, but then there would be nothing to sell to people in the stores. Nothing at all. We would not even be able to turn on a light bulb. I am saying that this idea, which is apparently logical, is impossible to implement now because every cent is needed for vital things—things that are more important than the organization of a parallel market.

The idea of a parallel market is a good one for another phase, another time. It helps us to remember. It makes us continue to work. It is an intermediate goal. Some day we will get there. When will ticket books disappear? Will the day ever come? It seems so far away that perhaps one of your grandchildren or great grandchildren will see it. The ticket book measure, however, is one of the most equitable systems ever invented, regardless of what has been said about it.

Whenever a product became scarce in our country it was purchased by those who did not work and could stand in line, or they paid someone to stand in line. People came and demanded that the products be included on the ration card. It is the people who have demanded hundreds of times that a product be included on the ration card. Many products were once sold freely because they were priced very high as befits an important offer, and this was compensated for by the demand. Every time a product became scarce people unanimously demanded that it be included on the ration card. When will we have enough products, enough everything, so they may be regulated by a free [word indistinct]? The country must achieve a tremendous economic development or renounce social justice. [shouting in background]

The ration card is one of the things that most helped distribute things equitably, and the parallel market is an escape valve because there were workers who earned 200 while others earned 400, 500, 600 [currency not specified]. The latter could go to the parallel market and purchase much more expensive merchandise. There were also speculators and all that, and there.... [pauses] and the people bought there.

But we cannot adopt desperate measures, we do not want to take up adventuresome measures in this field. We need to work fast, with urgency, but we must work well. We need to do our very specific tasks, which need to be done in the most varied fields. We cannot ever commit the mistakes that the socialist countries made, that the USSR committed. They started saying in the USSR that they wanted to improve things. True, many mistakes had been committed in the USSR—we knew this very well. (?But the people held the truth). In over 30 years of trade, dozens and dozens of millions of dollars worth of goods were purchased and sold—to mention it in one way because we [words indistinct] the ruble. The ruble has lost its value 40 times over; prices have increased 40 times. Never in 30 years did we come across a corrupt minister requesting money to carry out an economic or commercial transaction. Today, corruption is widespread and universal, it is everywhere. We never saw it even once throughout over 30 years of economic relations with the USSR. We know of its defects and also its virtues.

We have tried to be level-headed, objective in our historical analysis concerning the role played in history by the October Revolution, and the mistakes committed by men and the mistakes committed by that revolution—like all revolutions have committed. The French revolution's mistakes are still being discussed although the world today follows the French revolution's philosophy. All the kinds of mistakes committed in the USSR can be thus discussed for a long time. However, they said they wanted to perfect socialism, and everyone was happy. Very good, they want to perfect socialism. It will be great if socialism is perfected.

Socialism should have been perfected—never destroyed. Yankee imperialism should have never been given the gift of world hegemony. It was given as a gift, without firing a shot. Just like that. [coughs] Today we have a unipolar world under Yankee imperialism's command. Who would have dreamed of this? What (?feverish) mind would have dreamed of the dramatic, tragic situation that currently prevails in the world due to the USSR's disappearance? It would have gained much if socialism had been strengthened and perfected in the USSR. That was the whole issue, and that is how it all began.

We were all told, the world was told, and revolutionary leaders were told what the goals were, what the ideas were; and what they really did was to destroy socialism. Now they do not have socialism or capitalism. Can you imagine the energy resources that country has—or had? Six hundred and thirty million tons of oil per year; 700 million tons.... [pauses] cubic meters of gas, not to mention the fabulous amounts of steel, cement, fertilizers, and lumber that country produced. It had achieved a nuclear balance based on a gigantic effort or efforts. It had conquered space. Well, we also know about the defects in its technology.

Apparently there was a period in which the Soviet Union had so much gasoline that they did not have enough places to store it so they decided to build motors that could burn it. We brought large numbers of motors to Cuba, and this represents one of our calamities of today. Those motors burn three times the gasoline that other motors use. However, I am always at ease when I travel in a Soviet airplane, and I have traveled not only through Cuba but around the world on Soviet planes, not on a Boeing. I have never had the privilege of traveling in one of those planes.

What happens some times is that the Il-62 rattles before it starts, but it starts. [laughter] It burns much fuel, but it gets you where you are going. It is a safe airplane. I can testify to that. It is a big fuel burner, but it is safe.

Pizarro, our distinguished guest, cannot praise too much the Cubana Airlines Il-62 that stopped in Guayaquil at 0400 and then the crew had to tell him to return at 1600. Finally another plane had to be sent. This happens to us once in a while, but the Soviet planes are safe planes.

We know Soviet technology, its virtues as well as its defects. [words indistinct] a terrible truck. Soviet tractors are built, or designed, for Cuban operators, I believe.... [laughs] because the Cubans have used them to do just about everything, except fly.

And who does not remember the days of bonanza in our country? Who did not use our roads on weekends and saw our wagons loaded with people? Once I asked one of these persons: Are you on your way to do voluntary work? I was told: No, we are going to a baseball game.

It is true that our people do many good things. We cannot deny that. We do voluntary work and carry out internationalist missions, but we have spent tires, batteries, and gasoline in an uncontrolled fashion. I know people who used to go see their girlfriends in a bulldozer. [laughter] We find this funny. We can admire a man for feeling so much love for his girlfriend, such a man could go into history for emulating something Pablo Neruda could have done, like going to see his girlfriend in a huge, lengthy, and slow bulldozer. Once in a while that person would travel in a cargo truck. I have seen operators visit their girlfriends, or their friends, using all kind of vehicles.

We know Soviet equipment well. Soviet equipment one way or another allowed us to replace 300,000 sugar cane cutters with machines. The Holguin Sugar Tractor Factory did it. Can you imagine 300,000 sugar cane cutters being replaced?

We know the defects and the virtues of the Soviet Union. We know of its generosity. It was generous with us. Most generous. For years we never failed to have bread that was supplied to us by Soviet ships [words indistinct]. We never were short of oil. We never lacked anything, and we wasted a lot. We have to say this honestly. We could not applaud the destruction of that country, which also sent us for years the weapons we use to defend ourselves.

The Soviet Union did much for our country. It also made mistakes.

We have said this before. We said it then, we say it now, and we will say it again: They said they wanted to improve socialism and they destroyed it, pulverized it. We are talking about a country with many energy resources, vast lumber resources. Every year we received 500,000 cubic meters of lumber from the USSR; today we receive almost no lumber at all. The lumber was sent on Soviet ships. But a country with such enormous resources had to be destroyed. Things had to be invented to destroy it. I think many things could have been done to improve it. Many people in good faith wanted to improve that country; others with not so much good faith. Some day history will reveal the role each one played and the work the CIA did to destroy the USSR. All the imperialist propaganda was used to destroy the USSR, and all those men bear the responsibility for everything that took place.

Now I am amazed by those who said before that they wanted to improve socialism and wanted more and more socialism, and now they say that socialism is an unattainable utopia. We have seen truly unbelievable things! We cannot make those mistakes. No matter how difficult circumstances may be, we cannot destroy the party, destroy the state, destroy the government, or destroy the country's history. It is one of the saddest things that there were people who dedicated themselves to destroying the Soviet Union's heroic history. The merits of these people in the struggle against fascism, against the world reaction, their cooperation with the liberation movement of the old colonies, those things cannot be forgotten. But they destroyed history. They dismantled the ship in the middle of the ocean and left it without spare parts and without life boats. [crowd laughs] They sunk the ship! How much harm they have done the world. And how much harm they have done to this small country called Cuba, which was so firm, so loyal, so internationalist.

Most of the damage was done to us. All the imperialist hatred was turned against us because we were on their doorstep, in their backyard. Our audacity had to have been very great because we began a revolution and attempted to build socialism 90 miles away or a few inches from their naval base. The audacity had to be very great, and they did not want to forgive us, they would not resign themselves. That is why they were harsh with us, so aggressive. That is why they blockaded us with so much force, and that is why the USSR was so important to us. We would have had to go on alone without so many socialists and without the USSR.

If someone wanted to test this people's courage, dignity, patriotism, and honor, it has been well tested by everything that has occurred. [applause]

How many people would have had the courage, resolve, and firmness of principle that the Cuban people have had? Today Cuba is at this terrible crossroads, but our revolution can neither be sold nor surrendered. [applause] The country cannot be sold nor surrendered. [someone shouts: Death First!; applause]

Our country now has a priority task because we have decided to save the fatherland, the revolution, and the benefits of socialism. Allow me to explain. I say benefits of socialism because that is what we can fight for today, but without ever renouncing to socialism. [as heard] Today we must save the fatherland, the revolution, and the benefits of socialism, which means defending the right to continue building it in the future. We would never resign ourselves to renouncing it.

Today we must grant concessions. As I explained at the forum, we have had to divide the island into a map and open international bids to allow foreign enterprises to explore and drill at their own risk, as it is called.

We will have to share with them part of the oil that exists here. When the USSR existed, we conducted the explorations and the drilling. The oil was all ours. Now life, reality, and the dramatic situation the world is experiencing, this unipolar world, obliges us to do what we would never have done otherwise if we had the capital and the technology to do so. It is not that we considered foreign investment to be absolutely inconceivable. I believe that within socialism, and even in the attempt to build the most perfect socialism possible, appropriate foreign investment can exist. That is where a foreign businessman contributes the capital, technology, and market, or one of those three things. There may be a time when one has a national resource and cannot exploit it because one lacks the capital.

We have enormous resources, let us say, for tourism. We have marvelous beaches with clear water. But so much money can be invested there that if we had only a part of that money it could be invested in other things that are even more profitable for the country, more advisable for the country. I do not think dogmatically that foreign investment must be prohibited. I believe there can be normal conditions and circumstances in which foreign investment may be advisable for the reasons I have mentioned. But what capital do we have now? It is minimal.

Some of the investments are ours, especially in the pharmaceutical field, in the technological aspect. The research centers are being operated with our resources. A part of our tourism is managed with our resources. We cannot accelerate the development of our potential without the presence of foreign capital. We would have liked to depend less on tourism. For more than 20 years the revolution worked for national tourism, not for foreign tourism. In reality, if we had the oil of Kuwait or of other countries, we would have developed tourism almost exclusively for the enjoyment of our nationals. Current circumstances, however, oblige us to develop tourism fundamentally for the enjoyment of foreigners, for foreign tourists, to be able to obtain that convertible foreign exchange to resolve our most pressing problems. All citizens, logically, like to be tourists. We like the sea and we like to relax. Life constantly teaches us, however, that there are more pressing things. If someone gets sick, it is more important to regain one's health than to spend 15 days at the beach, I am sure. We must give priority to recovering that health.

Now that I am speaking of health, I recall that I had not mentioned amid all the calamities the fact that we had to face a strange epidemic that cost the country huge investments of our resources. Now we can say that the epidemic is declining in significant proportions. Starting with the malnutrition theory as being the most probable, but without dismissing causes of a possible biological nature, we have restored health to tens of thousands of people, thanks to the enormous effort by our people during the special period. Our preventive measures have prevented who knows how many more people from getting sick. I do not think there is a country in the world that is distributing daily a vitamin complex tablet to all its people. [applause]

There is no country in the world that, in an effort at social prevention, has been able to hand out 11 million vitamin pills every day. Eleven million! Just producing the 11 million pills per day is an achievement.

In the United States, such a rich country, there are millions of children who do not receive vaccinations, who do not receive any type of preventive medicine. That is one of the realities of one of the richest countries in the world; that is the difference between capitalism and socialism.

Those needs are a priority. How many millions has the country had to spend to fight this epidemic? How many unending hours of work have many cadres of the revolution had to dedicate to fighting this epidemic, and in the middle of the special period?

Today, we have been able to do it in a more economical manner, thanks to the development of our pharmaceutical industry—even if we had to import the raw materials. We had to bring some of the raw materials by airplane to make the pills here, thus considerably reducing the costs.

But I was telling you that we are willing to do everything that is necessary to save the fatherland, the revolution, the achievements of socialism. This means that we are not dogmatic. We are neither dogmatic nor crazy. Many have gone from being dogmatic to madness. Since we have never been dogmatic, we do not have to become crazed, adhere to dogmas, or practice crazy things. [coughs] We must adopt the necessary measures. We must now increase and make our intelligence more acute. Success will depend on the people.

It depends on the support and the understanding of the people. Some of these measures are unpleasant and we do not like them. In this way we have adapted to equality, and with good reason. In this way we have adapted to equity, and when we see someone enjoying a privilege, we suffer. Or do not even think about it.

There might be those who have privileges the rest do not have because they have a relative or a relationship and someone sends money to them. The best thing would be for everyone to receive that money. But the people will receive a part of that money.

We want to do things so that the things used by speculators may become a source of income, so that the profit from anything that arrives, sent from abroad or any way, like investments, tips, and so on, everything goes directly to the people's economy.

That is what we intend to do, that is what we seek to do, but we need understanding, and not to eat our own hearts out. That would not be the correct attitude for a man, the correct attitude for a revolutionary. Such would never be the correct attitude for a revolutionary, because revolutionaries make sacrifices throughout their lives.

Where were we at this hour exactly 40 years ago? No less than 40 years ago? I was jokingly asking companions: What kind of socialist regime is this, that it does not allow rest or retirement for revolutionaries? And it forces them to work more each day. [words indistinct] social shelter we have.

However, the fact is that, at this same hour—at 2217—we were trying to break the barrier of soldiers with our weapons, which were very much inferior to theirs, walking through unknown places, rocky ground, forests, and cliffs; trying to climb over the mountain range of the great boulder.

At that time, we were not thinking of those who were sleeping on a soft bed, those who were having no problems in the capital or in any other place.

When we were on our way in the Granma, when we walked through the mountains for unending hours, or when thousands of fighters were fulfilling their duties as internationalists, they did not think of being in their homes, in their beds, resting, together with their families. They thought of their duty!

You can be a revolutionary not by obligation but by nature; you can be a patriot not by obligation but by nature; you can be good, noble, worthy, and honorable by nature. You can be noble by nature. Wanting to be noble is not enough; being noble is. Wanting to be generous is not enough; being generous is. A noble revolutionary is worthy, unselfish, generous. He believes in his cause, in the beauty of his cause. He knows that he must accept certain things he does not agree with. He knows that he must see things that do not abide by our strict ideas of equality. We will have no alternative but to adjust our minds to that situation. It is not a situation we sought; it is a situation that we are confronting not because we set our principles aside but because we were loyal to our principles. We are confronting this situation not because we forgot our revolutionary ideas but because we tried to save our revolutionary ideas. Whatever we do we must be willing to do as revolutionaries. We must be willing to do all that we are asked. If we are asked to sacrifice, we will sacrifice. If we do not ask the revolutionaries to do this, who would we ask? Someone else? Someone different? Anyway [words indistinct] the country in special period is helping the country. If he helps 10,000 families that is 10,000 families; if he helps 1 million families, it is 1 million families, especially when by helping that 1 million he is helping the other 9 million, the other 10 million. Those problems are really complex.

I am not surprised that there are so many schools of economics and so many groups thinking up solutions. Never in history has any other country confronted a situation such as ours. The socialist bloc collapsed, and we have been left confronting a merciless blockade by the United States. What other country has confronted such a difficult situation; what other country has had to experience a special period? What other country has had to handle its economy in a special period? I recall that the special period was planned for times of war and not times of peace.

What to do to confront a total blockade? No one ever thought we would declare a special period during a time of peace. No one ever believed that something as strong and sure as the sun could disappear in a few days, as the USSR disappeared. We have had to declare a special period for an indefinite time during a time of peace. Let the specialists and economists rack their brains out to solve this.

I reiterate, it will all depend on the people's capacity to understand this situation, understand this problem, and support the measures that are adopted to save the country. This is a very nicely written phrase, not because I was the one who coined it but because of what it means: We have no alternative but victory. [applause] We do not conceive defeat, nor can we conceive defeat.

It is impossible to admit defeat for a nation that has managed to experience freedom and dignity as our people have experienced. We were slaves and beggars in capitalism and are deserving men and women with the fatherland, the revolution, and with socialism.

People of Santiago, I ask you if we will defend the fatherland, the revolution, and the achievements of socialism to our last breath? [people shout, "Yes," applaud, and chant slogans]

I ask you if we will be able to endure and surmount all the imaginable difficulties? [people shout, "Yes")

I ask you if there can be anything greater and more equitable than the revolution? [people shout, "No"]

I ask you if there can be anything greater, more sacred, and more loved than our martyrs? [people shout, "No"]

Well, in their name I state and repeat: Socialism or death. Fatherland or death. We will win. [people shout: "Socialism or death; fatherland or death; we will win"; applause]

Energy Rationing Suspended for Celebration Period

PA2607231293 Mexico City NOTIMEX in Spanish 2204 GMT 26 Jul 93

[Text] Havana, 26 Jul (NOTIMEX)—The Cubans will enjoy a 48-hour truce with the blackouts due to the festivities to mark the 40th anniversary of the assault on the Moncada Barracks, but they will return to normalcy on Wednesday, 28 July, with energy rationing of up to eight hours per day. The electric company reported there will be no blackouts on 26 and 27 July, and it announced the new energy rationing schedule for the 14 Cuban provinces and the special Isle of Youth Municipality will be made public on 28 July.

The enterprise announced, in a communique broadcast by the National Radio Newscast, that—given fuel limitations—energy rationing measures will be programmed starting on 28 July. The Cubans will only be able to enjoy 24 hours of continuous electricity on the days marking the 40th anniversary of the assault on the Moncada Barracks, which started the revolution that ousted the dictator, Fulgencio Batista.

In December 1992 the island's inhabitants began to suffer the consequences of energy rationing measures, which have continued and increased this year. The electric company ratified early in 1993 that the island's authorities will maintain the energy rationing measures due to the lack of fuel at the power stations. The Cuban authorities have established a schedule for the total suspension of electricity in municipalities throughout the 14 provinces and the special Isle of Youth Municipality.

Cuba is suffering an acute energy crisis following the Socialist bloc's collapse in Eastern Europe, mainly due to the disintegration of the Soviet Union, from which Cuba received 13 million tons of fuel every year.

* Commentary Laments Attractions of Black Market

93CA0153B Havana JUVENTUD REBELDE in Spanish 20 Jun 93 p 10

[Commentary by Soledad Cruz]

[Text] After experiencing the "colors" of stress in New York and Paris, I still prefer the hues of anguish in Havana, where every day a whole series of questions come up for which I have no immediate answers.

It is better not to speak about such matters, one old friend hinted to me. However, I recall the saying about silence equaling consent and refuse to resign myself. I will not calmly allow the harsh blow suffered by detachment as a social class that leads some to disappointment and others to doubt whether it was ever worth the trouble to dream of a different world in the first place. This is even while Che is identified by many as the second Jesus Christ, the second saviour of the Christian era, who was crucified.

It is as if the world had begun to turn backward and the island were making desperate efforts to remain afloat in the midst of a strong countercurrent. And yet, one cannot avoid the decline of certain fundamental conquests and the inevitable metamorphosis of concepts and circumstances that at one point we deemed permanently valid for our children and grandchildren.

It is difficult to be forced to admit the limitations of the official market, one can obtain anything in exchange for exorbitant sums of national currency or dollars. It is terrible not to have a drop of oil at home when someone offers a bottle (which sells for a modest price at the store) for 80 pesos, or a bar of soap for 50, when one realizes that such items are usually stolen goods.

It is very difficult to admit that there are teachers, engineers, and all kinds of technicians—even well-paid—who prefer to work as bartenders at tourist resorts, chauffeurs in Havana, or anything else that means they will be dealing directly in dollars. It is far more painful to see children asking tourists for chewing gum or any other sweet or, what is worse, our pretty girls holding up some old foreigner, not because they are in love—love has no nationality—but because they are selling their charms.

The economic crisis is exacting these high and bitter moral prices while possible solutions such as tourism itself and foreign investment, so indispensable when one wants to obtain capital in order to survive in a capitalist world, create gaps between the lifestyles of those profiting from such jobs and those toiling in other spheres.

What are we to do under the circumstances? Become bitter? Deny the glories we have lived? Desert the hope that we embody for many on the planet? No! No, among other powerful reasons, because other parts of the nation's situation justify our dreams and the struggles that we would not like to repeat, struggles which, even if repeating the fact bothers some, are nevertheless there. They can be seen in the fair distribution at the official store, our classrooms staffed with teachers, hospitals with doctors, our streets free of beggars.

These are realities that seem the work of a magician in the midst of abandonment by our former friends and in view of the barriers erected by our powerful, raging neighbor. They are persuasive realities to pit against images that the international press offers of those who thought that embarking upon a market economy overnight would be a magic wand for achieving abundance.

It is a fact that the cruel laws of the market operate even on the island's proliferating black market, that the steadily rising price of the dollar is closely linked with the low purchasing price of the Cuban peso, that all this will mean—already means—sad distortions and undesirable adjustments in the long run. But everything would be worse without the palliatives that the system offers, and if the government had used the shock therapy that has placed neoliberalism in doubt.

I do not claim to offer any consolation, but simply to continue to speak about matters that cannot be concealed. Among these, we must remember that we reached this point under the pressure of circumstances completely out of our control and even after important warnings from Fidel about what could happen if the socialist camp and, in particular, the Soviet Union were to disappear.

The debacle in East Europe occurred despite the warnings and, as Lenin said, the facts are stubborn; one has to face them. Our situation has been explained thousands of times. As the popular saying goes, we have been left hanging. I prefer to believe that we are clinging to the certainty that our program of social justice is the best, humanly speaking, even though our civilization, which now enters its third millennium, requires even more bitter lessons to make us understand that fact.

How long can we fight against the current?

Is it worthwhile to continue to fight when, some claim, there are signs indicating that sooner or later, we shall fall into the clutches of capitalism, even against our will and desires? To these questions about our situation we must add others: What would we get by abdicating? How would our situation improve if we were to surrender without a fight?

Fighting for our achievements enables us to gain time, to gradually adjust solutions in keeping with our interests and not because they are imposed on us from the outside. It enables us to try out new formulas for the completely different circumstances within which we must conduct our national life and international relations, realizing full well that while progress and well-being will not come in the form we had hoped, they will come based on the principle of "Every man for himself!" that we see applied in most of the rest of the world. It is worth the sacrifice, anger, and pain if we can prevent money from being the only god in this lousy world or if we can prevent the erection of altars on the island because the economy is the equivalent on this planet to the laws of the jungle applied to the market.

After New York and Paris, I still prefer the hues of anguish in Havana. Everywhere in the world, earthlings continue to be unhappy animals who ask why such is their destiny. Here, poor and bruised by global injustice, at least we realize the dreams of our founders and hope responds to the bitter questions of reality. And we continue to dream. Whether this continues to be so for our children and grandchildren will depend on our ability to transform our rage over this garbage heap of a world into strength!

* Mishandling of Dollars at Tourist Facilities Reported

93CA0153A Havana JUVENTUD REBELDE in Spanish 20 Jun 93 p 3

[Article by Jose Alejandro Rodriguez]

[Text] The latest paradox is that while some of us engage in veritable juggling feats in order to bring in foreign exchange during such difficult times, other unscrupulous individuals look for every possible loophole enabling them to appropriate the country's assets, draining off the already paltry purchasing power of our economy.

Recent audits of three units of the capital that, among other things, provide services to tourists have turned up cases of mishandled money. The audits were done by the Verifications Department of the Ciudad de La Habana Finance Directorate.

Shortages in excess of $5,000 and 27,000 pesos were discovered when auditors counted cash, reviewed all vouchers and other primary documents, did physical counts of merchandise, and verified bank deposits of the institutions.

"Things do not tally up." The old saying is true of many irregularities found because the amount of cash from sales actually deposited in bank accounts does not match the physical inventory of goods on hand. The amount of products missing should be accounted for by money collected.

Other "shortages" result from differences between bank deposits and sales documents, which in some cases have been altered. If there are receipts for $1,000 and only $800 is deposited, where is the remaining $200?

In the case of consignment sales, the supplier delivers the product and the unit pays later when the articles are sold. When the center's debits are reviewed and the merchandise is later inventoried, why do the goods on hand not match the amount owed? Furthermore, sales were made on credit but never collected for and as a result, there was less stock on hand than should have been the case but without the corresponding receipts.

In cases of services offered for foreign exchange and in national currency for Cubans, the necessary differentiation in accounting is often not made, starting with the breakdown of receipts. This "jumbling" is the source of more than one scheme.

Differences amounting to 6,665 pesos showed up simply as the result of a failure to record the receipt of products by the establishment. Shortages resulting from goods being taken out of the unit warehouse (for destinations unknown) amounted to 2,164 pesos.

Disproportionate alterations were also reported in standards governing the sale of beer and other beverages to national consumers. The number of persons served does not always match the amount of products allegedly served. In one such case, a single customer supposedly purchased 30 bottles of rum. The resources are simply being diverted to the black market. As a result, a worker receiving his turn to eat out with his family cannot even enjoy a beer or a cocktail.

The audits resulted in administrative sanctions for 13 persons, and proceedings have been instituted against four of them for proven criminal acts.

However, for finance experts, the effectiveness of constant "seasoning" by the audits can never exceed strict, honest compliance with standards in handling resources, i.e., minding "the store" that belongs to all of us. While a few thousand dollars and Cuban pesos involving three units may seem of little import, if the losses were to occur on a massive scale, there would be a veritable bloodletting that a country beset by difficulties can ill afford.

Everything there is to say about accounting and the recording of economic data has been said, but the real crux of the matter is the determination to use this tool to oversee and audit resources and the conduct of every individual handling such assets.

If one goes by the book, everything has to balance: goods, documents, and bank deposits. Whenever the books do not balance, valuable assets of the people are at stake, hanging by a thread or already gone, with the resulting corrupting, demoralizing effect.

AIN Announces Establishment of New Tobacco Rations

FL2607211193 Havana Radio Rebelde Network in Spanish 1700 GMT 26 Jul 93

[Text] The NATIONAL NEWS AGENCY [AIN] issued details on the distribution of tobacco in which it explains the adverse effects of weather conditions and the storm of the century on the 92-93 Tobacco campaign. These phenomena have affected the availability of tobacco leaves primarily, making it impossible to produce the amount of rolled cigars that the current rations demand. In view of the impossibility of meeting the currently established distribution volumes—which is two for those who are not on quota and two extra, a total of four per month, for those who are on quota [numbers as heard]—rations will be reduced to one cigar per consumer beginning in August as the quota for both groups.

German Parliament Vice President To Visit Havana

FL2607192393 Havana Radio Rebelde Network in Spanish 1700 GMT 26 Jul 93

[Text] On 27 July, (Hans Klein), vice president of the German Parliament, will arrive in Havana at the invitation of the National Assembly of the People's Government [ANPP]. His program includes interviews with ANPP President Ricardo Alarcon de Quesada, Cuban Foreign Minister Roberto Robaina, and Politburo member Jose Ramon Balaguer Cabrera.

During his stay in Cuba, (Klein) will participate in the inauguration of the registry of the Social Christian project at the European Studies Center, and in the inauguration of a workshop on participatory democracy.

* 'Strict' Accountability of Donations Reported

93CA0147A Havana BOHEMIA in Spanish No 24, 11 Jun 93 pp 38-41

[Article by Fernando Davalos]

[Text] Gretel's round, brown face and tiny mouth display the sweet smile of a first grade schoolgirl when she accepts from my hands a "foreign" gift from Rosario, Argentina: an ordinary pencil of a brand unknown to her. She laughs, along with Ernestico at her side, because the yellow gift has arrived in an unusual way, directly from a donation to Cuba by foreign friends.

Her delight does not fade when, in the little room with unpainted walls, she and all her classmates (at the Hermanas Giral primary school at L and 17th Streets in Havana's Vedado neighborhood) find that the "mysterious" pencil from such a distant place contains a short message written in pencil with a child's uncertain hand, perhaps from an Argentine child of the same age. Tied to the pencil eraser with a bright ribbon is the short note that made them smile: "To you with 'luv'" (yes, spelled like that), signed by Maria Laura.

Who can this Maria Laura be? Another first grade girl? How does she know we may not have any pencils? How can she send so much "luv" to Cuban children whom she does not know? Many Cuban students, their teachers, or their parents may be asking that. What secret and strong ties could have motivated Maria Laura to send this wonderful little gift to children in Havana?

This event would have been completely unknown except for the coincidence that BOHEMIA reporters were in the offices of the ICAP [Cuban Institute of Friendship with Peoples], near the Havana primary school. Along with the pencil from the Argentine girl came notebooks, erasers, colored pencils, school supplies, and other small items that, after a careful record is made for accounting purposes, are immediately sent to their destinations. Thousands of both small and large packages have been received and are forwarded to the schools selected by educational officials in Havana or other provinces, depending on the needs of individual schools.

The reporters at ICAP wanted to attend the "delivery of the pencil." So that day, before going to Hermanas Giral and meeting Gretel and Ernestico and being deeply touched by Maria Laura's "luv," we asked many questions about what is being sent to us from abroad, the strict accounting procedures, and their meticulous allocation. We shuffled papers, added and subtracted large quantities of donation forms and letters, as if this were an audit in which the ICAP officials were cooperating with generous patience. They know, as we do too, how much ill will lies behind the insinuations and affirmations with which some people outside Cuba are trying to spread doubt about the destinations of these packages.

A Friendly Hand

Then we paused at a donation form dated 9 April 1993 for our Social Services department. The document covered clothing, shoes, handbags, and even a camera. But in this shipment my attention was caught by something with no material value at all: two crucifixes that, like the rest of the items, were sent by the organization "All Against the Embargo" from Spain's Canary Islands. It was the gesture, the spirituality of the person so far away who, with this little gift, was sending us an altruistic, elegant, and humanitarian message.

I also saw other packages: fortified foods, crutches, and walkers sent by the ATC [Alliance of Community Workers] from Miami in the United States; veterinary medicines, also from the Canaries; powdered milk, soap, candles, paper, moisturizers, and women's underwear from the Moralense Group in Mexico; various items of medical equipment, disposable items, metal containers and medical white coats from Barcelona; and pencil sharpeners, pencils, books, ballpoint pens, and boxes of colored pencils sent by Joaquin Galindo of Mexico. At that point I stopped making notes; I might leave out a shipment, involuntarily concealing a gift and a donor. There were many boxes, a great diversity of items going to different destinations.

At that instant appearances became deceptive. So much is being received with wonderful continuity: it is an enormous amount, enough for the entire Cuban population. Yes, every day more and more packages come, but our needs continue to grow and the balance remains negative. We can never forget that Cuba has been under an embargo for 32 years, hampered by restrictions that now seem to be tightening, the victim of a second and sudden embargo, recently lashed by a devastating storm, and now, to top it all, facing a mysterious epidemic.

Obviously, this lovely solidarity and this warm consideration do not provide everything: these donations have a great deal of value in a material sense, but their extraordinary dimension is of another order. How much are these little and big packages of aid, sent by countless friends, organizations, and countries, "worth" in a spiritual sense? What is their moral, human, and even political value, now when new threats are closing in on Cuba?

Clear Accounts

I am looking at a document that explains how the donations received from the Humanitarian Aid Fund were distributed to the Chernobyl victims, whose children we are helping in Tarara. I think it is useful to report this and I read: 100 tons of wheat flour, plus 13 tons of grain to the MINSAP [Ministry of Public Health], along with 20 tons of powdered milk and 38.7 tons of canned meats; fruit juices, and foods for children in Tarara; and macaroni and spaghetti to Social Services centers. I continue to read: oil and butter (5.5 tons to MINSAP), with 25 boxes of medications; for Tarara, 200 sets of underwear, and for the victims of the "storm of the century," 12 tons of tacks, seven tons of fencing, and one ton of soldering wire; for the ACLIFIM [Cuban Association for the Physically Handicapped] and the Women's Orientation Center, four barrels of paint, aluminum items (pans, spoons, etc.) for the first of these organizations; for Social Services, 700 knitting needles; to MINED [Ministry of Education], 3,003 curtain rods; miscellaneous tools for the aqueduct and for PP [People's Government]; a truck and 30 trash containers for Tarara; roofing paper: 200 rolls to PP and 10 color television sets for Tarara; for the ship Taino, which brought solidarity aid, a container of gas coolant.

And so it goes. No numbers are left out. Detail by detail, I find very precise information in these donation forms: the type of item and the quantity, the origin and destination, who brought and who received it (with their respective ID numbers), and even the license number of the transport vehicle. There are dates, signatures, registration numbers. Nothing, nothing is omitted.

This strict accounting of what is received and sent can leave no room for doubt. Solidarity shipments are received at all of Cuba's international airports. The donations often arrive by ship or are brought in, when these are small shipments, by the donors themselves or their representatives. At times an individual tourist or a group purchases a gift here at the hotel shop where they are staying and then goes directly to a school, hospital, or to the ICAP offices with their donation, which is doubly valuable, both because of its intrinsic value and also because of the humanitarian gesture it represents. Even the smallest of these donations is recorded carefully and listed, not to still the enemy's perfidy, but through an elemental sense of order and respect for the donors' solidarity and friendship.

Even the mysterious pencil Gretel received in her school in Vedada or the crucifix sent with so much love to Cuba from the Canaries was not omitted from these accounting records. The inventories are here, either in the ICAP offices or in other Cuban institutions, but the items received are kept with fervor in the grateful and honorable hearts of the Cuban people.

"Audit" for Miami

The doors are open and the inventories of donations sent to Cuba, received and sent on to their recipients are here. The accounting records are clear.

But in Miami other stories circulate and evil intentions—perhaps the offspring of impotence and egotism—try to spread lies, saying that the gifts sent to our country are not handled properly.

They make up stories charging that the soap we receive, including some brands that are very well known internationally, is taken to tourist shops for resale or is perversely kept for the private use of a thief or profiteer. They say this also happens with powdered milk, canned goods, or other items that the world's solidarity is now sending to us in a spirit of fraternity.

The purposes of these falsehoods that originate in Miami—typical of the tiny group that does not want any settlement with Cuba—are clear. They are intended to interrupt this flow of donations, to insinuate their poison, and to tighten the embargo against Cuba, in the vain hope of defeating us.

One morning a few weeks ago, at the doors of a warehouse of the Cuban Red Cross in Havana, a woman with an obvious North American accent came in. She asked question after question and checked the papers she was shown by the Cubans who dealt with her with transparency and courtesy. It was not long before she identified herself; she was a reporter from the MIAMI HERALD seeking information to corroborate what is being said "over there" about the donations Cuba is receiving.

She left empty-handed, but that is no obstacle—we Cubans have seen this many times—to keep the truth from being told. It does not pay to present news that tells about the scrupulous care with which these donations are controlled, but only to present fables that distort the reality of Cuba. Fortunately, many packages, both large and small, have even come from "over there," sent with love, respect, and solidarity.

* Ideology of IZVESTIA Correspondent Criticized

93CA0153C Havana BOHEMIA in Spanish No 25, 18 Jun 93 p 43

[Commentary by Pedro Prada]

[Text] "Tehran 43" contains a scene in which a pursued Alain Delon tries to fool his captors and tells the taxi driver to "Signal left and turn right!"

In real life, many used this strange maneuver when the neoliberal steamroller and the collapse of European and Soviet socialism brought about a crisis of leftist ideas.

On our continent, parties split, their numbers dwindled, philosophical disputes between leaders sowed discord and jealousy in the ranks, and some disagreements even led to marital breakups.

A number of organizations staked everything on playing by the rules of the right, believing their reward would be survival, and still perished. That is the lesson of the Sandinist defeat in 1990.

Others fell victim to a certain feeling of being orphaned by the death of the Soviet tutor, which shows how little originality and authenticity they had. They gave up true democracy, real human rights, and the socialist freedom to think.

This explains why many, feeling like shipwreck victims of the socialist slaughter, leaped into the mouth of a right where those awaiting them were surprised to see that anyone could be more rightist, anticommunist, and neoliberal than the traditional, inveterate rightists, anticommunists, and neoliberals.

However, it was in the Soviet Union itself that this metamorphosis was the most diabolical, which leads one to wonder where real communist feelings ended, and the political opportunism of certain persons began.

Only from this angle can one explain why the rector of a Marxist-Leninist institute would shift to an anticommunism bordering on the absurd.

Of the same stripe is a journalist who made political and professional capital as the IZVESTIA correspondent in Havana. Eugenio Bai wrote so many positive things about Cuba and its socialism, about the imperialist hounding of the revolution and the Cuban-Soviet friendship, that his name will one day figure in an anthology on that phase.

After spending some time here, he is once again concerned about Cuba, but from the perspective of an expropriated magnate whose country club palace was invaded by a few irreverent blacks from Havana's La Timba district!

From his now constant trips to Miami, he has reaped so much bitterness, hatred, and despair among those wanting to see Cuba under the United States' skirts once again that when he sits down to write against the revolution, he does it so prodigiously that Greybeard himself would envy him.

That is what these reconverted leftists are like! They forget the deaths, history, prison, and torture and the moments of glory, solidarity, justice, and works completed with our own hands.

In contrast, I stubbornly remain on this difficult but straight path of my people, thanks to which I reconcile dreams with joy. The nightmare of turning to the right as one winks at the left is as sad as the old tango that speaks of the shame of having been and the pain of no longer being.

* Charcoal Production in Special Period Discussed

93WN0502Z Havana GRANMA in Spanish 25 Jun 93 p 3

[Article by Raisa Pages]

[Excerpts] It was an enchanted tree and no ax could bring it down because the blade constantly chipped on the hard trunk and for every branch cut, two more would grow in its place. ("Menique, La Edad de Oro" ["Menique: The Golden Age"], by Jose Marti).

Since we have no enchanted trees like the one in the story, a program of planting forests to be used for energy production went into effect in 1991. Some 130,000 hectares of fast-growing trees such as eucalyptus, "soplillo," and casuarina, etc., would be needed over the next five years.

The special period has rapidly increased our need for coal and wood. Therefore, the program goal is to offer an alternative and meet demand by encouraging types of trees that will yield from 80 to 100 cubic meters of wood per hectare within five years of their planting.

When the plan went into effect, execution was slow and only some 27,000 hectares were planted in 1991-92. In 1993, we are now pressed to exceed 32,000 hectares in order to hope to have the entire 130,000 hectares planted by the end of the five-year period.

Energy forests are part of the national reforestation system, and the scant resources we have must be aimed at that objective, which is one of several important energy sources that must support the country's survival strategy. In the opinion of Aguedo Morales, deputy minister of agriculture for forestry, greater awareness has now been achieved and discussions have been conducted in every region in order to adjust plans based on the area. Sources of wood must be situated close to the heaviest concentrations of consumers and encouragement must be given in every zone to the area that supplies local demand.

Avoiding a Negative Phenomenon

Among underdeveloped nations, Cuba ranks among the lowest in terms of its per capita use of wood and coal. During boom periods, such energy types were replaced by oil and its derivatives for both domestic and industrial purposes.

Stringent fuel restrictions have had a negative impact because, given the need for wood and coal, forests not designated for such purposes were stripped.

Legal measures have been taken, including the signing of a Decree-Law on Forestry Reserves outlining penalties for those violating the principles contained in the provision.

Brigades have been organized in forestry enterprises to gather wood and sell it to the rural population. The production of charcoal has also been reorganized in order to locate producers near sources of wood rather than in remote areas, as had previously been the case.

This year's plan sets a goal of nearly 3 million bags of charcoal, double the figure for last year's production, although it is recognized that the need exceeds that level. [passage omitted]

Since we do not have magic axes like the one in the fable, the charcoal production plan is based on increasing the work force entrusted with the task. It includes not only the furnace operators, but cutters, wood gatherers, drivers, and all other workers involved.

Hostels are being built in suitable places, and a plan has been drafted to house work crews sent to inhospitable places.

Working conditions are also being improved by expansion of the beehive or Brazilian furnace, as it is also called, achieving increased efficiency and humanizing labor.

The vice minister of agriculture observed that not only is it essential to carry out the program for energy purposes, but that the country must increase the area planted in trees every year in order to improve the environment.

However, using wood and coal will clearly not solve our current problems, particularly with respect to cooking, and not just because of the impossibility of meeting demand. In the larger cities, their widespread use would create other difficulties in the daily life of the people.

While other more viable alternatives are being developed, expanding the energy forests must have priority in all regions.

We have no enchanted trees that grow back two branches for every one harvested or magic axes that cut by themselves. We must face our energy shortages with the wisdom of Menique, that character from the Golden Age who conquered the giant by his cunning.

Commentary on Hard Times, Necessary Changes

PA2407182893 Havana Radio Havana Cuba in Spanish 0000 GMT 23 Jul 93

["Comment on the News" by Guillermo Alvarado]

[Text] Since January 1959 Cuba has never experienced so serious an economic situation as the current one. The situation has being prompted mainly by the disappearance of the Socialist world and the ever-tightening U.S. blockade. But we are not disregarding mistakes made in a process that dates back almost 36 years. That is why, in addition to our daily concerns, Cubans—at least some Cubans—have started to feel uncertainties that have prompted questions that require detailed answers. The questions mainly concern the future of the Cuban revolution. What must be done to get out of the current serious crisis as quickly as possible? What changes must Cuban society make to enable its participation in current international relations?

Such questions are completely natural if we take into account the exceptionally complicated and risky conditions experienced during the revolution that profoundly changed the people's lifestyles, social consciousness, and culture. Most of those people cannot conceive of another lifestyle that does not adjust to their realities and expectations.

Cuba, of course, will have to make changes. Those changes however, must not include, for example, the elimination of our free public education and health systems or protection of our men and women when they get old. Cuba has no alternative than to remain an independent nation. To do this, Cuba must first maintain the people's unity and manage to create conditions to recover its production capabilities and reactivate its economy. Cuba now intends to achieve the necessary flexibility in foreign trade and its internal economic organization. It will also assimilate and implement procedures to provide production incentives and promote excellence to enable us to compete in a fiercely competitive world.

That is why Cuba has begun making unavoidable changes that have been developing for some time now. These changes are taking shape in Cuba in such magnitudes that, to a certain degree, they may be perceived as traumatic and even misunderstood by some sectors of the population. But in Cuba what has been described as an economic opening will not have to travel along a paths of improvisation, impracticality, and disorder. Nor will there be any need to implement shock policies that will only serve to plunge a significant portion of the population into despair and poverty. The road to these changes is being outlined without any hurry and very carefully to avoid any distortions and trends that may be too difficult to reverse.

One of the first measures planned is to legalize foreign currency holdings. According to statements by Carlos Lage, vice president of the Council of State, this will have a social impact and requires the understanding of most of the population. It is a measure that stems from the current reality imposed by the growth of tourism, the difficult conditions we are presently living under, and the need to attract foreign currency to benefit all Cubans.

At the same time the Cuban Government is proposing to encourage production by implementing measures that are currently being evaluated. These measures will be implemented most of all in key sectors such as food production, sugar, nickel, tourism, and crude oil exploration.

Carlos Lage emphasized that measures the Cuban state may adopt to attract foreign currency must be accompanied by others to cut excess money in circulation and revalue our deteriorated national currency. These measures should not entail rejecting our principles and ideals.

Roundup of Economic Activity Reported 15 Jul to 23 Jul

FL2307164493

[Editorial Report] The following is a compilation of fileworthy reports on economic developments in Cuba carried on Havana radio and television in Spanish between 15 July and 23 July.

Radio Progreso at 1100 GMT on 15 July interviews Juan Aizpurua, member of the Central Committee of the Communist Party of Cuba, on the characteristics of the Fourth Congress of the Committees for the Defense of the Revolution [CDR]. Aizpurua notes that the Congress officially began in each province on 4 April with the start of the assessment process. He reports that 360,000 voluntary blood donations have been made, adding that Havana, Matanzas, Villa Clara, and Ciego de Avila Provinces are behind in their efforts. He says that 23 million bottles have been recovered and that 3,500 tons of paper and cardboard and 480 tons of aluminum have been collected. He also notes that the CDR's hope to plant 38 million fruit and hardwood trees and that 18 million have already been planted.

Radio Reloj at 1940 GMT on 16 July reports that Pinar del Rio Province is the most outstanding in building housing in the mountains, having built 956 houses from 1987 to the present. Pinar del Rio is also the province with the most paved roads in the hills, and 97 percent of its housing has electricity. Also, 95 million lumber-producing trees have been planted in the province.

Radio Reloj at 1946 GMT on 16 July reports that a cement plant opened in Palmarito de Cauto, Santiago de Cuba Province, in salute to 26 July. The plant uses zeolite to make the cement, which has various construction uses. The plant is near one of Cuba's most important zeolite deposits, and will produce 1,000 tons of cement per month.

Radio Reloj at 1947 GMT on 16 July reports that "close to 500 people who were neither working nor studying" have been incorportated into stable positions created by the opening of multiple services and workshops in the jurisdiction of People's Council No. 5 of the (Pastorita) neighborhood in northwestern Guantanamo. A complex for the repair of different kinds of vehicles and related equipment has been opened in Guantanamo Municipality with a view to increasing the province's means of transportation.

Cuba Vison at 2220 GMT on 16 July reports that a brigade from Andalusia, Spain, is visiting Santiago de Cuba, and has donated $5,000 worth of surgical sutures to Public Health. The sutures were immediately distributed to hospitals in Santiago de Cuba Province.

Radio Rebelde at 1700 GMT on 19 July reports that the Nitrogenized Fertilizer Enterprise in Cienfuegos Province has produced 200,000 liters of the azotobacter fertilizer during the first six months of 1993.

Radio Rebelde at 1700 GMT on 19 July also reports that the University of Puebla, Mexico, organized a campaign of solidarity with Cuba and has presented Cuba with $3,830 dollars in cash, while from its own money the University of Puebla has made a donation of goods worth a little over $6,000.

Radio Rebelde at 1700 GMT on 20 July reports that workers of the Cubanacan enterprise in Granma Province have collected $1 million from services to tourists, which represents $270,000 more than what was collected in 1992. Workers of the Cubanacan enterprise hope to collect another $500,000 in the remaining months of 1993.

Tele Rebelde and Cuba Vision at 0000 GMT on 21 July report that Guantanamo Province is making big efforts in cane recovery, and that the province is today far ahead, compared with the same date last year. Guantanamo was one of the two provinces to meet the spring planting plan, planting almost 128 caballerias. Only 9 percent of the cane area is affected by weeds. Guantanamo is preparing 198 caballerias for cold-season planting. Sugar Industry Minister Juan Herrera has reiterated the need to effect this task so as to be able to harvest. The minister said Cuba already has 90 percent of the indispensable resources for that harvest.

Radio Progreso at 1100 GMT on 21 July reports that a new, low-cost cleansing powder made from local rock has been produced in Guantanamo Province. The product, named "geolin" by its inventors, is made of volcanic rock, 25 percent zeolite, and a small quantity of bentonite. Progreso also reports that the scientific hub of Pinar del Rio is making progress, highlighting production of medical equipment, electrodes, and magnetotherapy equipment, and continuing research.

Radio Rebelde at 1155 GMT on 22 July reports that 39.4 km of the 48 km of the Caibarien-Santa Maria Causeway, the longest in Cuba and the one that will have the nation's longest bridge over the sea, are now finished; that 21 of the causeway's 45 bridges are now finished; and that the causeway will provide access to approximately 30 tourist hotels.

Radio Rebelde at 0900 GMT on 23 July reports that a pilot plant for making pasteboard [papeles estucados] from sugarcane bagasse has been opened at the Cuba Nueva Research Center in Quivican. The plant was set up with the help of the UN Development Program, which contributed $412,500 for its self-financing. [as heard]

Cuba Vision at 2220 GMT on 22 July reports that the use of domestic crude has been on the increase in Santiago de Cuba's Antonio Maceo Electric Plant since 1987, and has experienced a jump this year due to the current limitations with oil imports. In 1992, the plant used 188,000 tons of fuel from Varadero to produce 44 percent of its output. This year, the use of domestic oil is expected to reach 80 percent. Workers from several plants are coordinating efforts to improve and standardize its use.

Tele Rebelde and Cuba Vision at 0000 GMT on 23 July report that Ciego de Avila Province oil workers' goal for 1993 is over to extract over 55,000 tons of fuel. They have fulfilled they extraction plan for the first half of 1993 at 103 percent. Over 1,200 tons of fuel have been extracted above projections, most is sent to the Cabaiguan Refinery in Sancti Spiritus which produces lubricant oils. In salute to the Moncada anniversary, the workers have also weeded 40 sugarcane caballerias.

Villa Clara Graduations Enumerated

FL2207185293 Havana Radio Progreso Network in Spanish 1100 GMT 22 Jul 93

[Excerpts] Over 3,000 higher-level professionals will be joining production and services this year as a skilled labor force in Villa Clara and neighboring provinces. The Main University of Las Villas had 1,530 graduates with majors in agronomy, mechanics, psychology, law, chemistry, pharmacy, accounting, finance, computer sciences, and architecture. The National Pedagogical Institute had 1,631 graduates, almost half of whom were already practicing teachers. [passage omitted]

The Lazaro Cardenas Polytechnical Institute had 460 graduates, mid-level technicians in food preservation, mould and die design and construction, set-up and repair of industrial equipment, refrigeration, and data processing.

Professionals Graduate From Matanzas University

FL2207185193 Havana Radio Rebelde Network in Spanish 1155 GMT 22 Jul 93

[Text] The University of Matanzas has just graduated 793 new professionals, who will immediately be incorporated into the nation's production and service centers.

Union To Provide Food Services for Schools

FL2207184093 Havana Radio Rebelde Network in Spanish 1155 GMT 22 Jul 93

[Text] As of the next school year, which begins in September, the Commerce and Food Industry Workers Union [name as heard] will take total charge of providing food services for 500 primary and special education schools and childcare centers throughout the country. (Rodolfo Jimenez), secretary general of this workers organization, has informed his counterpart from the National Education, Science, and Sports Workers Union that this is being done in compliance with guidelines from the CTC [Cuban Workers Federation] regarding the need to improve the morale and provide better material care to Ministry of Education workers and students. He said that both unions are conducting the necessary coordination with administrative bodies at the different levels with a view to harmonizing and properly disseminating commitments at the centers of

FAR Members Clean Santiago de Cuba Water Pipes

FL2407154693 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 21 Jul 93

[Text] A dangerous cleaning operation of water pipes was conducted in Santiago de Cuba as part of the water supply maintenance work.

It had been a long time since anyone had descended this ladder. However, on this occasion, 1,000 members of the Revolutionary Armed Forces [FAR], Interior Ministry, and other related organizations entered the old water pipes that keep the Santiago de Cuba City supplied to fulfill a dangerous and risky cleaning operation. A decrease in water output had made this necessary. According to capacity, the pipes should carry 1,600 liters per second. Yet, the output was only 1,200. After 60 years of use, sediment deposits and other conditions were to be expected. The operation demonstrated the correctness of the projections. [Passage indistinct] to resolve definitely the city's water supply problem. Although dim light made it impossible to get better shots, the difficulty of the task can be understood.

Reynaldo Endis, president of the Provincial Assembly, who is in charge of this operation, explained:

[Begin recording] It is difficult because it has to be carried out simultaneously along 34 km. It is difficult because at times there are over 500 personnel inside the pipes working simultaneously. (end recording]

Supplying water to a city such as Santiago de Cuba is not a simple task. Despite the limitation of resources and the complexity of the work, the government sees it as a priority. The celebration of the 40th anniversary of the Moncada attack has served to boost a project that undoubtedly takes time and effort.

Inter-Caribbean

LIAT Selling Price Reportedly EC2 Million

FL2607015993 Bridgetown CANA in English 2109 GMT 25 Jul 93

[Text] Bridgetown, Barbados, July 25, CANA—Shareholders of LIAT are selling the regional airline to the Barbados-based consortium, Caribbean Aviation Enterprises (CAE), for EC2 million dollars (one EC dollar ; 37 cents US), the Barbados SUNDAY ADVOCATE reported.

The newspaper, quoting what it said was a copy of the memorandum of agreement between Caribbean governments, owners of the financially-troubled airline, and CAE, said the EC2 million dollars covered 20,000 shares or 44.4 per cent of the LIAT's paid up capital.

According to the SUNDAY ADVOCATE, a valuation of LIAT carried out by Banque Paribas for the Caribbean Development Bank (CDB), had put the market value of LIAT's fleet of 16 aircraft, at March 1993, at 91.5 million dollars.

However, the French bank valued the entire airline at 30 million dollars after computing two different versions of value using the market and book value of assets in addition to cash flow projections.

The newspaper quoted consultants and airline industry observers as saying the deal with CAE spells "disaster" to BWIA, the Trinidad and Tobago state carrier, Air Jamaica and the proposed Caribbean Airline, and "may also result in governments giving away the carrier free of cost to the sole bidder", which is CAE.

The SUNDAY ADVOCATE said it was agreed the take-over date would be no later than September 4, 1993 and that the two million dollars should be paid into a holding account by then.

Further, the agreement provides for an additional two million dollars to be paid by CAE in two equal installments at the end of the 1995-96 and 1996-97 financial years, subject to the airline recording a minimum net profit of 2.5 million dollars each year.

The report came amidst reservations by Antigua and Barbuda, one of the 11 government shareholders, about the divestment. The Antigua and Barbuda Government, which urged caution in the sale, announced last week it was sending two teams to lobby its position with other governments.

The SUNDAY ADVOCATE said shareholders governments also agreed to write off 14.6 million dollars in subventions owed the airline, grant tax relief and other concessions, and provide route rights for 11 shareholder territories.

Cayman Islands

Government Orders Takeover of Finsbury Bank

FL2607020793 Bridgetown CANA in English 1722 GMT 24 Jul 93

[Text] George Town, Grand Cayman, July 24, CANA—The Government of the Cayman Islands has ordered the take-over of the Finsbury Bank and Trust Company by the accounting firm of Kpmg Peat Marwick.

A government press release said that "accountants from Kpmg Peat Marwick accompanied by officers of the Royal Cayman Islands police force took control of the bank at 1000 a.m. (July 22) on order from the government."

The release said government has asked the accountants to produce a report on the conduct of the bank's affairs within three months and make recommendations on action.

The statement did not say what prompted the action and efforts to reach Banking Inspector Jennifer Dilbert for comment were unsuccessful.

Under Section 14 of the Cayman Islands Banking Law, the government can order a bank seized by outside accountants or government-appointed regulators if "it appears likely the bank will be unable to meet its obligations as they fall due."

As a Class B bank, Finsbury was not involved in daily banking operations but handled offshore accounts only. The bank's only office was in the Cayman Islands.

It was unknown the volume of deposits on hand at Finsbury when it was seized.

Located about 180 miles west of Jamaica, the Cayman Islands are known as an offshore financial centre and tax haven with 530 registered banks and US415 billion dollars on deposit in a country of just 27,000 people.

Dominica

Prime Minister Intends To Remain Head of Government

FL2607015393 Bridgetown CANA in English 1933 GMT 25 Jul 93

[Text] Roseau, Dominica, July 25, CANA—Dominica Prime Minister Dame Eugenia Charles, who will give up the leadership of the ruling Dominica Freedom Party (DFP) on August 14 when a new leader is expected to be chosen, has reiterated her intention to stay on as head of government until the next general election.

Charles, reacting to suggestions from some political observers that she should step down as prime minister soon after after the new DFP leader is chosen, told cana her decision to stay on was not because of selfish reasons.

"There are many people who are asking me not to step down at all," said 74 year old Dame Eugenia, who has led the DFP to three consecutive general election victories.

"I personally believe that at my age I should step down but I believe there's work for me to finish and I am going to (finish) it."

By retaining charge of the government, Charles also said she believed it would allow her successor as DFP leader to concentrate on getting the party in peak shape for the next general election and consolidate his base of support.

Charles, who reportedly favours Communications and Works Minister Alleyene [Carbon] to succeed her, promised her full support to whoever emerges as her successor.

Besides Carbon, the other nominees are External Affairs Minister Brian Alleyne, Trade and Tourism Minister Charles Maynard, and Charles Savarin, outgoing ambassador to the European Community.

Charles said she intended to be fully involved in the next election campaign on behalf of the DFP. The term of the government expires in two years.

"Though I am not going to be leading (the party) or taking any part in its policy decisions, I am completely and entirely behind the party and intend to make sure that the party continues to be successful."

Japan's Support for Banana Interests at GATT Sought

FL2307235093 Bridgetown CANA in English 1500 GMT 23 Jul 93

[Text] Roseau, Dominica, July 22, CANA—Dominica is attempting to get Japan's support for this country's banana interests at the General Agreement on Tariffs and Trade (GATT), External Affairs Minister Brian Alleyne said.

Alleyne's statement came after he held talks with Japanese Ambassador Mitsuru Eguchi, who paid a farewell visit to the island Wednesday.

Latin American countries opposed to a protection regime for African, Caribbean and Pacific [ACP] states put in place by the European Community, are trying to get the arrangement overturned by GATT, the world trade watchdog body.

Alleyne said the ACP states are lobbying for as much support as they can on the banana issue, and his talks with Eguchi here zeroed in on that matter.

"Japan has not supported our position in the GATT up to now, and I emphasised to the ambassador that he needed to convey to his government, the critical importance of bananas to Dominica and that they should reconsider their position," Alleyne said.

"I pointed out to him that whereas bananas was important to the Central Americans and the Latin Americans, a change in the (European banana) regime would not be critical to their survival, whereas preservation of the regime was crucial for us," Alleyne said.

He said that the talks with the diplomat covered possible Japanese aid to Dominica, including a fisheries complex to be built here.

At the height of a recent whaling vote controversy, it had been suggested that Dominica and some other Caribbean countries were voting with Japan at the International Whaling Commission, in exchange for development aid from the Asian country. Alleyne said there was no such arrangement.

Dominican Republic

Balaguer Accuses France of Backing Haiti

PM2707083693 Paris LE MONDE in French 24 Jul 93 p6

[Jean-Michel Caroit report: "Dominican Republic: During Press Conference President Joaquin Balaguer Challenges France on Haiti"]

[Text] Joaquin Balaguer accused "France of particularly supporting Haiti in the face of Dominican interests." "France, which was and remains a great colonial power, affords particular protection to those countries that it colonized," Mr. Balaguer declared.

He added that he had proof that France "and other great powers" want the total integration of Haiti and the Dominican Republic, the two countries that share the island of Hispaniola. "That is a fanciful wish because the Dominicans would rather die than renounce their Iberian roots," President Balaguer exclaimed.

Previously the Dominican president lamented the fact that the French authorities boycotted a meeting of backers organized by UNESCO in Paris last June to fund the education plan launched by his government. An absence that stems from negligence rather than from political ulterior motives, according to Paul Guyomard, French ambassador to Santo Domingo, who recalled that Paris provides 22 percent of the funds for Brussels' aid programs to the Dominican Republic under the Lome Convention.

President Balaguer's scant sympathy for his young exiled Haitian counterpart, Jean-Bertrand Aristide, explains his frustration at the efforts made by France and the international community to reinstate him. Since the coup d'etat that overthrew President Aristide in September 1991 the Dominican authorities have maintained unobtrusive but active relations with the putsch authorities, enabling them in particular to get around the embargo on Haiti.

Cardinal Nicolas de Jesus Lopez Rodriguez, Archbishop of Santo Domingo, who is close to President Balaguer, has just stated that the recent New York agreement making provision for President Aristide's return to power is "absurd." "Father Aristide is an insane, incapable man lacking experience as head of state, who has made a speech hostile to our country," Cardinal Lopez Rodriguez, the current chairman of the Council of Latin American Bishops, stated.

President Balaguer's statements are directed more at the Social Democrat candidate Jose Francisco Pena Gomez, currently leading the polls for the presidential election next May, than France or President Aristide. After asserting on several occasions that he would not run, Joaquin Balaguer—who will celebrate his 87th birthday in just over a month—has just said that he has not yet decided whether to run again. Most observers are convinced that, health permitting, he will once again sally forth into the battle for the presidency. For several weeks now his main adversary, Pena Gomez, a black, has been the victim of a racist campaign accusing him in particular of being descended from Haitians and promoting the unification of the island of Hispaniola. A campaign whose main mouthpiece is none other than Romero Confesor, President Balaguer's legal adviser.

Haiti

Elections To Be Held for New Senate Office 26 Jul

FL2607182993 Port-au-Prince Signal FM Radio in French 1030 GMT 26 Jul 93

[Excerpts] A new president (?is expected) to be elected today at the Haitian Senate in a controversial atmosphere. Firmin Jean-Louis, one of the two opposing presidents of the Senate, considering himself constitutionally elected, has refused to step down to allow the election of a new president within the scope of the parliamentary normalization provided for in the Governors Island agreement signed on 3 July by restored President Jean-Bertrand Aristide and the Army chief, General Raoul Cedras.

Sen. Jean-Robert Martinez announced on 21 July that the National Front for Change and Democracy [FNCD] does not intend to negotiate the presidency of the Senate and that the elections that brought Jean-Louis to this post were honest and legal. The FNCD has a very fragile majority of one vote in the Senate. A great uncertainty prevails as to the capacity of the Constitutionalist Anti-Corruption senators to retain control of the upper chamber.

Jean Guzman, president of the Haitian Revolutionary Party, has gone so far as to call on Senators Bernard Sansaricq and Yvon Gislain to come back as soon as possible to the parliament in order to (?reinforce) the fragile majority of the Anti-Corruption Bloc at the upper chamber. [passage omitted]

Yvon Gislain—this is his name; he says he is the son of peasants—does not intend to give up the struggle to return democracy to Haiti, he reassures his FNCD allies. [passage omitted]

Today's election is necessary so the new elected president can go to Washington with Chamber of Deputies President Antoine Joseph to meet with President Aristide for the consultations provided for by the Constitution in the choice of the new prime minister. On 23 July, President Aristide said that he was waiting for Sen. Jean-Louis and the president of the Chamber of Deputies for the consultations. A few minutes later, the spokeswoman for President Aristide told us that the designation of the new Haitian prime minister depends now on the election of a new Senate president in Haiti.

(Leila McDowel) pointed out during a telephone interview that this appointment of the prime minister would result from the meeting between President Aristide, Antoine Joseph, and the president of the Senate.

A delegation headed by Sen. Jean-Louis left Port-au-Prince for a meeting with President Aristide over the weekend. It was confirmed that Sen. Serge Joseph is part of this delegation, which complicates the situation as today a provisional office will have to hold elections at the upper chamber, with or without the Constitutionalist Anti-Corruption Bloc senators. According to Sen. Dupiton, the most senior member of the Senate, Sen. Franck Leonard, will preside over this provisional office. He will be assisted by the two youngest senators, Jacques Rony Mondestin and Serge Joseph, as secretaries, given the fact that Sen. Judnel Jean is no longer in the race. Both of them, however, are absent from the national territory. All this displeases Sen. Thomas Eddy Dupiton, who was interviewed on the phone.

[Begin recording] [Dupiton] Since my arrival at the airport, I have been saying that I was ready to resign. Many questions were asked during the news conference. We said that we were in a hurry, that we wanted to do it, but that we were waiting for the others who were supposed to arrive from New York. They arrived but did not appear at the parliament. We told everyone we wanted to form the office on 23 July. We postponed to 26 because it was rumored that some had left the country again. We thought that they were going to return so we could form the office tomorrow. But it seems that they will not arrive; there is no flight tomorrow morning. We will perhaps have to wait until noon. We will wait. We will wait. [repeats]

[Unidentied journalist] (?What will happen) after this noon deadline?

[Dupiton] After this noon deadline, we will draw up a report and communicate it to the various national and international authorities so they will know that we are in an awkward position and that we will perhaps be obliged to call the parliament normalized. [end recording]

The appointment is nevertheless still set for 1500 GMT today at the parliament. According a reliable source, those parliamentarians will arrive today at 1400 GMT.

There is, however, a double convening [at the Senate]: that of the secretariat of the Alliance for Parliamentary Cohesion and that of Sen. Eudrice Raymond of the Constitutionalist Anti-Corruption Bloc for 0100 this afternoon, still within the framework of the parliament normalization. Sen. Firmin Jean-Louis no longer constitutes the stumbling block to the process, according to Sen. Raymond during a telephone interview.

[Begin Raymond recording, in Creole] No, no, I do not believe that it is well to say that Sen. Firmin does not want to resign. The fact is that Sen. Firmin is a member of a bloc. I believe any decision should be taken within the bloc. [passage omitted] [end recording]

Haiti

Metropole Interviews 'Prospective' Prime Minister Malval

FL2607221393 Port-au-Prince Radio Metropole in French 1600 GMT 26 Jul 93

[Interview with Robert Malval, prospective prime minister, by Metropole journalist Clarence Renois in Maimi; date not given—recorded]

[Text] Robert Malval, who may be called officially this week to lead the next government, asserted in Miami at the end of the economic summit that he wanted to make dialogue a priority. Robert Malval, who has extensive experience in the private sector, intends from now on to direct his knowledge to the public administration. According to him, cooperation between the two sectors remains essential for the country's development. Robert Malval hopes to succeed. He maintains that he is not a professional in politics.

[Malval, in progress] ...from the press but of the written press. That has been my most daring experience in the field of politics.

[Renois] Are you afraid of anything because you are new?

[Malval] They often say: Full hands to innocent people. Then, let us hope that this innocence will be rewarded.

[Renois] Do you have a message for the national institutions, such as the Army, the parliament? What do you expect from this new collaboration?

[Malval] I always say to my friends from the press that I do not have any experience in public administration. I will try to transfer, as much as possible, my experience in the private sector to the public sector. For 25 years, my firm has practiced dialogue, dialogue, never ending dialogue so that all the parties present understand why they are working, the framework they are working in, what can they expect from our management, and what our management expects from our employees. We have found that for 25 years this method has been very gratifying.

I do not know about public administration. I do not have experience there. However, I know that I am open to all forms of dialogue. I am not a man of passion, I am a man of reason. I am known also to be a man whose thoughts are very easy to read. I tell all those who know me, my perceptions of them, while respecting them. I am a frank man but I am not insulting. I respect others, but take the right sometimes to tell them respectfully what I think.

[Renois] Have you already made some contacts with political parties for the possible formation of your government.

[Malval] I have not yet investigated. You must give me time to digest it, these words: your government.

[Renois] Are you afraid?

[Malval] The fear of failure, not the fear....

[Renois, interrupting] Are you sure of succeeding?

[Malval] One is never too sure of succeeding.

[Renois] There is doubt?

[Malval] There is no doubt. But, neither is there a thoughtless attitude faced with the problems on the social, economic, and political plane. All I know is that I come with my good faith, with good intentions. I know that I cannot please everyone and may even displease some people. I hope that the malcontent will be in the minority and that those who are happy will be the majority.

Robert Malval, who is the prospective prime minister, was answering Clarence Renois' questions at the end of the economic summit in Miami. This summit ended on a note of hope. President Aristide and Haitian businessmen agreed on using the path of reconciliation and cooperation to help the country develop.

Jamaica

Opposition Wins Police Reform, Ends Parliamentary Boycott

FL2407002393 Bridgetown CANA in English 2300 GMT 23 Jul 93

[By Garfield Myers]

[Text] Kingston, Jamaica, July 23, CANA—The parliamentary opposition Jamaica Labour Party (JLP) is ending its boycott of Parliament following agreement with the government on ways to guarantee the independence of the police from political control.

The opposition has boycotted Parliament since the March 30 general election, to press its demands for radical reform of the police.

Making the annoucement Friday afternoon, opposition leader Edward Seaga also threw the weight of opposition support behind the proposed appointment by the Jamaican Government of retired Army Colonel Trevor MacMillan as police commissioner.

"Colonel MacMillan brings to the position the discipline and integrity of his military training and is the right man, in the right place, at the right time," said Seaga.

The proposed appointment, while welcomed so far by most sectors of the society is being strongly opposed by members of the police high command.

But Seaga also demanded the "disbandment" of the Anti-Crime Investigation Detachment (ACID) set up recently by the government as the latest "short term" measure in the war against criminals. Seaga reiterated that the squad was made up largely of political activists and was targeting Tivoli Gardens, heartland of JLP support, in his West Kingston constituency.

Seaga said the decision to end the parliamentary boycott and appoint senators to the unelected upper house, followed its success in getting the government to "reform the police force by removing it from political control".

The agreement announced by the government earlier this week involves legislation to ensure that operational control of the police is held by the police commissioner and not the national security minister.

The constitution will also be amended to empower the governor general to appoint members of the Police Services Commission after consultation with the prime minister and leader of the opposition.

The commission is now appointed by the prime minister.

"Now that government has agreed to the reforms of the police force which the opposition required, our mission has been accomplished, and, as a consequence, the opposition will resume full participation in parliamentary proceedings commencing with the next meeting of the House of Representatives," declared Seaga.

The opposition leader said that by early August, he would submit the names of eight recommended senators to Governor General Sir Howard Cooke.

In addition to reform of the police force, the opposition had originally demanded an independent judicial enquiry into the controversial March 30 election, as a pre condition for its return to Parliament.

But the latter demand was subsequently dropped in favour of investigations by the political ombudsman James Kerr and the Electoral Advisory Committee now being reconstituted.

Turning to the appointment of MacMillan, Seaga said: "Those members of the police who find it offensive for the position to be taken by someone who is not a member of the force, should realise that it is the conduct of the police that is responsible for the outcry against the leadership of the force.

"It is the poor quality of this leadership that give many policemen support to act outside of the law and above the law, killing, maiming, lying, stealing and engaging in political fraud and thuggery as if the law did not apply to them," he said.

The reforms, he declared, would be a "triumph" for the majority of policemen who were "committed to doing their job without fear or favour".

In a caustic attack, Seaga said the "propaganda machinery" of the Police Information Centre (PIC), the "political overload" of the special branch from which most of the "professionally trained officers were recently transferred" and the recruitment of "one-week killers and political activists into a descredited ACID squad, are all part of the corruption which has made the police force an uneffective fighting machine, but an effective political goon squad".

He charged that members of the ACID squad had sought to carry out political "reprisals" against the JLP by "shooting up" Tivoli Gardens on Wednesday and again Friday, just before his scheduled meeting with journalists.

Two women, a 19-year-old and the 70-year-old mother of the local government representative for a section of West Kingston, Councillor Desmond McKenzie, had been shot and injured in the incidents, Seaga said.

In addition to the demand that the ACID squad be disbanded, Seaga also called for "no more promotions" in the police force while the "current commissioner is in place".

ACID has come under intense public scrutiny and criticism since it began operations two weeks ago, particularly after the death of two criminal suspects on the grounds of a hospital here, last week.

People claiming to have been eye witnesses including a doctor, have charged that one of the two men was cold bloodedly shot in the back of the head by a policeman.

But the head of the detachment, Superintendent Lloyd Service has defended the record of his squad so far, pointing to a noticeable reduction in violent crime over the past week as evidence of its effectiveness.

El Salvador

Vice President Asks UN To Investigate FMLN

PA2507181293 San Salvador Radio Cadena YSKL in Spanish 1730 GMT 22 Jul 93

[Report by Argelia Aguilar]

[Text] Vice President Francisco Merino Lopez on 22 July asked UN Secretary General Butrus Butrus-Ghali to investigate whether or not the Farabundo Marti National Liberation Front, FMLN, is linked to international terrorists to prevent subsequent problems in the Salvadoran peace process.

[Begin Merino recording] I believe this threat extends beyond our borders [words indistinct] undoubtedly should be condemned. If the FMLN or a faction of that party is linked to those activities [words indistinct] must be condemned [words indistinct]. I believe that it is time for the United Nations to verify and guarantee compliance with the agreements, in the sense that it could confirm that the FMLN is in fact not linked to acts of violence and terrorism. Otherwise, [words indistinct] those activities by those groups [words indistinct] Interpol, as this risk goes beyond our borders and affects the security of several countries. The government has appointed a commission, which is following up on the investigations. [end recording]

In evaluating the first seven days of the deployment of soldiers on the country's main highways, Vice President Merino said the results have been positive. He added, however, that common crime will be controlled effectively in the country when the necessary support is given to the National Police and Salvadoran Army in performing their security functions.

[Begin Merino recording] Obviously, citizens will be more at ease if criminal activities are controlled. We believe the army patrols should continue until the public security forces are better prepared and equipped. We cannot establish a limited time [words indistinct] as the crime rate is very high and in that sense the [words indistinct] prevent crime. [end recording]

On 16 July the armed forces, in coordination with the National Police began patrolling strategic areas where common crime has increased since the signing of the peace agreements. This Executive Branch decision caused negative reactions from various sectors of the Salvadoran society.

Vice President Merino announced that in the next few days the government will disburse more than 1 million colones it owes to the national minesweeping plan to clear zones where mines planted the war are endangering the population. The minesweeping plan, which is being carried out with international funds, was suspended because of a lack of funds.

FMLN Voices 'Concern'

PA2507194793 San Salvador Radio Cadena YSU in Spanish 1800 GMT 24 Jul 93

[Text] The Farabundo Marti National Liberation Front [FMLN] party on 24 July voiced its concern over an announcement that U.S. soldiers are reportedly going to carry out military maneuvers in El Salvador. Foreign Minister Manuel Pacas Castro asked the Legislative Assembly to ratify the agreement reached by the Salvadoran and U.S. Governments so that the U.S. military will be able to conduct joint maneuvers with Salvadoran soldiers.

According to Juan Ramon Medrano, FMLN party spokesman, Salvadoran society will be militarized again if these maneuvers are carried out.

[Begin recording] [Medrano] I want to voice the party's concern over the possibility of joint exercises between the U.S. and Salvadoran Armies. I am also concerned by the arrival of General Joulwan, although it has been said that the Armed Forces—particularly the Army—must comply [words indistinct], respect human rights, and guarantee sovereignty.

We are concerned with the deployment [words indistinct] political agreement. The people are somewhat concerned by the political ramifications. In a country where there has been a war and which has experienced a lot of repression by the Army, [words indistinct] soldiers in the streets. That was a bad experience.

We are also worried that if these joint maneuvers take place, it would be sending the wrong message that there is still [words indistinct] in the country. I want to take this opportunity to say that [words indistinct] that this is only propaganda and not a bad memory of the war and El Salvador's militarization.

[Unidentified Reporter] Does the FMLN think that plans exist to continue the militarization of Salvadoran society?

[Medrano] We are worried that Joulwan will come and tell the military that [words indistinct] and learn to form an army [words indistinct] as an imposition. We are also worried about rumors that there will be maneuvers [words indistinct] this threat that the Army [words indistinct] or is having problems, if there is no longer a guerrilla force like the former FMLN. There is [words indistinct] of no use to El Salvador. [end recording]

Some 450 U.S. soldiers will reportedly arrive in late August, according to the agreement between the two countries. Dr. Pacas Castro's request may be approved in the next legislative plenary session, slated for 28 July.

The U.S. soldiers will be checked by Salvador doctors prior to entering the country. The weapons they bring in will be held in storage. Social projects such as drilling water wells and rebuilding bridges are planned as part of the exercises.

FMLN Leader Terms Albright, Joulwan Visit 'Positive'

PA2307222493 San Salvador Canal Doce Television in Spanish 0300 GMT 22 Jul 93

[Text] FMLN [Farabundo Marti National Liberation Front] leader Joaquin Villalobos termed as positive the visit by two prominent U.S. Administration officials. He said this demonstrates the interest of the Clinton administration in the Salvadoran peace process. For Joaquin Villalobos, the presence of officials of the Clinton administration, such as Medeleine K. Albright, permanent U.S. representative to the United Nations, and General George Joulwan, U.S. Southern Command commander, represents the importance the U.S. Government places on our country.

[Begin Villalobos recording] This demonstrates that the United States is still concerned over the situation in El Salvador. As long as this concern translates into material contributions and political support for the peace process, I believe it is welcome by all Salvadorans. [end recording]

With regard to the kidnappings, Joaquin Villalobos said that the investigations will determine who the responsible parties are.

[Begin recording] [Villalobos] The responsibilities in this case are borne by individuals. In other words, the FMLN has no responsibility whatsoever in this case. That is what the investigation process is for.

We condemn this incident and believe the responsibility should be determined and those involved should answer for it.

[Unidentified reporter] [words indistinct] of the FMLN?

[Villalobos] Of course, yes. We said in the first communique that we condemned this kind of activity, regardless of who is involved. [end recording]

Regarding a possible rift within the FMLN, Villalobos said that a division within that political group is very unlikely, because the stability of the peace process is directly related to the unity of the FMLN.

Pacas Says U.S. Soldiers To Conduct Engineering Exercise

PA2307233793 San Salvador Canal Doce Television in Spanish 0300 GMT 22 Jul 93

[Text] In August, 450 U.S. soldiers will arrive in the country to carry out engineering training exercises in various parts of the national territory. The arrival of U.S. soldiers is the product of an agreement signed between the Salvadoran and U.S. Governments, which is in the process of being ratified by the Legislative Assembly.

[begin Foreign Minister Jose Pacas Castro recording] This is an engineering training exercise, as the note says, which consists of building schools and health centers and digging water wells. As you all know, prior to deployment, every Army needs to build temporary installations in the places where it will be stationed and try to obtain potable water and other basic services. [end recording]

The decision to establish the sites where the joint exercises between U.S. and Salvadoran soldiers will be conducted will be made by the Ministry of Public Health and Education, Foreign Minister Jose Pacas Castro explained.

Meanwhile, the foreign minister said that during the last year the Foreign Ministry obtained large international contributions to finance national reconstruction projects.

[Begin Pacas recording] Some aid to the government had been practically eliminated, such as the aid from Germany. Other countries had substantially reduced aid to the government. We now view with satisfaction that the obstacles that existed in the past have been eliminated. [end recording]

Both Pacas Castro and Interior Minister Colonel Juan Antonio Martinez Varela appeared before the Legislative Assembly plenum to present their work report corresponding to the last year of government work.

Commentary on Gen Joulwan's Advice to Military

PA2307210093 San Salvador Radio Cadena YSU in Spanish 1800 GMT 23 Jul 93

[Station commentary]

[Text] The United States asked the army to learn from the past but not to live in it. After reiterating the U.S. Administration's support for the army, General George Joulwan, U.S. Southern Command commander in chief, asked the country's military chiefs to live in the present and plan for the future. Gen. Joulwan, who played a major role in supporting President Alfredo Cristiani at the most critical points of the negotiations with the Farabundo Marti National Liberation Front, commented on the role of the young officers who were appointed to the high command following the purge process. Gen. Joulwan clearly reiterated his country's support for the Cristiani administration and the Armed Forces in the transition to peacetime operations, because he felt the Armed Forces are a vital institution in a democratic system. Throughout the war, the United States provided over $4 billion in military and economic aid to keep the country afloat. This aid, which always came with strings attached regarding the military, dropped considerably after 1992. This year, $11 million in nonlethal aid was frozen until the process to purge the army of the servicemen accused of serious human rights violations was completed. The aid, which may resume in late July, would be accompanied by another project that would include the arrival in the country of 400 members of an engineering unit that would come to build schools and bridges. Last week the State Department recognized that throughout the war its sources in San Salvador were silenced about serious incidents such as the El Mozote massacre. Now that the war has ended, the United States has another view of El Salvador. Now it is more interested in continuing the relationship with friends and allies to fight drug trafficking.

Defense Minister: Weapons Collection 'Very Complex'

PA2507180793 San Salvador Radio Cadena YSU in Spanish 1230 GMT 24 Jul 93

[Text] After pointing out that the collection of armed forces regulation weapons held by civilians is very complex, Defense Minister Colonel Humberto Corado urged the population to cooperate in the process of collecting those weapons.

To help in this effort, the National Commission for the Consolidation of Peace, Copaz, on 21 July created a commission that will be in charge of verifying the destruction of weapons held by the Farabundo Marti National Liberation Front and collecting the Army regulation weapons. The UN Observers for El Salvador are working on this task in accordance with the Copaz agreement.

Col. Corado said the armed forces keep guarded a certain number of those weapons that had already been collected.

[Begin Corado recording] The truth is that the collection of weapons is a very complex task. It requires the participation of several groups. For example, citizens need a certain amount of protection from criminals but they must cooperate and surrender their weapons. In exchange for that, to protect their lives and property they will be allowed to have other weapons but not of the caliber used by the armed forces. In other words, we must make a thorough study and analysis of the situation to determine the process through which we will collect certain weapons. [end recording]

According to the peace agreements, the collection of armed forces regulation weapons should have begun on 2 March 1992 and concluded by 28 October 1992. Almost one year later, this process is just beginning.

Evaluating the armed forces' patrol activities, in effect since 16 July, Defense Minister Corado said that the presence of soldiers in rural areas has allowed the National Police to carry out effective security operations in urban areas.

FMLN Demands Government List Seized Weapons

PA2507181193 San Salvador Radio Farabundo Marti Network in Spanish 1800 GMT 24 Jul 93

[Text] The Farabundo Marti National Liberation Front [FMLN] on 24 July demanded that Alfredo Cristiani's government present a report on regulation armed forces weapons and the inventory of weapons seized from the FMLN.

To consolidate a true democracy, President Alfredo Cristiani must present a report on the collection of regulation armed forces weapons and on the inventory of those FMLN weapons seized during the war, Gerson Martinez demanded on 24 July. According to the FMLN political leader, it is hard to believe the armed forces' insistence that they have no knowledge of the weapons seized from the FMLN. It is, therefore, up to the Salvadoran president to investigate these irregularities.

[Begin Martinez recording] It is important for the FMLN to clean house. The FMLN dossier must be clean. To that effect, we want to urge the other party—the government of President Cristiani—to comply with two aspects that are pending. One of them is that he must present, once and for all, the inventory of weapons the army seized from the FMLN in 12 years. The high command says it has no record of those weapons. The crime rate has gone up, yet the armed forces have not collected those regulation weapons in the hands of private groups. That is a problem of nationwide importance. [end recording]

The Human Rights Division of the UN Observers for El Salvador [Onusal] reported that it will withdraw from the country in the next few days, leaving the responsibility for safeguarding respect for individual rights with the Human Rights Ombudsman's Office.

It is not advisable for the Onusal Human Rights Division to leave before the 1994 general elections, inasmuch as human rights violations continue in our country, FMLN leader Gerson Martinez pointed out.

[Begin Martinez recording] The presence of the Onusal Human Rights Division is important. I do not think it is advisable for it to leave prior to the elections. Later the situation will have to be evaluated, because the promotion and defense of life and human rights is not yet established.

I feel that the Human Rights Ombudsman's Office has been playing a role, but I think it must play a more active role to comply with the mission for which it was formed. [end recording]

Guatemala

De Leon Meets With AID Director

PA2307213793 Guatemala City Teleonce Television in Spanish 0400 GMT 23 Jul 93

[Excerpts] A U.S. delegation headed by President Bill Clinton's Special Envoy J. Brian Atwood met with President Ramiro De Leon Carpio, Vice President Arturo Herbruger, and Foreign Minister Arturo Fajardo Maldonado. Atwood is also director of the Agency for International Development, AID, and was accompanied by AID officials Terence Brown and [name indistinct]. De Leon Carpio stressed the significance of this visit. [passage omitted]

[Begin De Leon Carpio recording] I consider this an appropriate occasion to evaluate your contributions to the strengthening of peace and democracy in Guatemala. I would like to thank you for your statements to the effect that you have come to Guatemala expressly to reaffirm the support of the U.S. Government headed by President Clinton with regard to the defense of democracy and to contribute to efforts to promote human rights, economic growth, and peace in Guatemala.

Cooperation in areas of vital importance will unquestionably ease problems faced by the population such as health, potable water, sanitation services, basic education, and other vitally important issues such as the environment, a topic which we discussed extensively a few moments ago, human rights of course, natural resources, and projects that will render invaluable contributions because they will help combat poverty, which is the main issue in our 180-day government plan and will also be the main issue in government plans for 1994 and 1995. [end recording]

De Leon on Peace Proposal, Refugees

PA2307141393 Guatemala City Teleonce Television in Spanish 1900 GMT 22 Jul 93

[News conference by President Ramiro De Leon Carpio with unidentified reporters in Guatemala City on 22 July—recorded]

[Text] [De Leon] As for the reaction of the Guatemalan National Revolutionary Unity [URNG] to a new peace dialogue, we still have meetings pending with other sectors. On 21 July, for example, I met with some members of the Bishops Conference, that is, with that part of the religious group. I still have to meet with the Evangelicals. There are meetings pending with other sectors as well. This is a process that has various phases, and thus, I cannot yet reply to the URNG.

[Reporter] [Question indistinct]?

[De Leon] There was no reply. As I did with other sectors, I simply explained details of the peace proposal. I listened to the opinions of the bishops and the nuncio, who was also present. This is the same thing I did with labor, business, popular, and university sectors. On 22 July I will meet with private university representatives. In other words, there are a few steps to be taken. Thus, I do not yet have a reply.

Moreover, remember the proposal was presented to the Guatemalan people, and not specifically to the URNG. The proposal was presented to the Guatemalan people, who have suffered the consequences of this civil war, which has lasted more than 30 years. I presented it to the Guatemalan people, including the relatives of thousands who died or were maimed. I presented the proposal to the Guatemalan people, who have sacrificed in this war. Thus, the most important reply for the president of the Republic, is the one he will give to Guatemalan society, which has been the victim. This does not mean it is not important to know the reaction of the belligerent party; the party with which we have to negotiate peace. It is, however, the Guatemalan people who will help us build peace. Thus, we will take the necessary time, not only to analyze the situation, but to continue listening to the opinions of the various sectors.

[Reporter] [Question indistinct]?

[De Leon] The education minister on 22 July will hold a meeting. I also asked others to analyze the situation. I hope a decision will be made after a dialogue and analysis of the situation, but I do not yet have a decision.

[Reporter] [Question indistinct]?

[De leon] The Coordinating Committee of Farming, Commercial, Industrial, and Financial Associations [Cacif] did not oppose it. A Cacif member commented on an specific issue...

[Reporter, interrupting] [Words indistinct].

[De Leon] Yes, but Cacif as an association has not opposed it. On 21 July, during a ceremony to honor the Guatemala City municipal Council, I met with some Cacif members and they told me their association did not do that. Moreover, you referred to only one of the many issues that could be discussed, that is, the issue of its illegality or unconstitutionality.

I would like to take advantage of your question to explain that this was precisely the strategy of the president of the Republic and that I am satisfied to have attained the desired results.

As you may remember, it was not I who presented the proposal, but my special adviser Hector Losada Granados. It was presented as a strategy of the president of the Republic. It has not been presented officially at the United Nations or the OAS, although we have held talks with them. The strategy satisfies me as it has yielded the results I expected. It is part of politics, the power to govern that the president of the Republic must have with regard to all issues under discussion. I presented the strategy, intending to examine, enrich, and get reactions to it.

Today the president of the Republic has a map, a clear view, of what one sector thinks, what the other thinks, what they fear, and of the URNG position.

At this moment, frankly, the president of the Republic is at a great advantage, having the complete frame of reference of the proposal that has been made—and which at the same time has not yet been presented. The president has the great advantage of knowing everyone's fears, but in the case of a representative of Cacif or another [words indistinct].

As a last resort, if the problem was caused by doubts as to constitutionality, which do not exist, in my opinion—and I believe I know a little about constitutional law as it is my legal specialty—we could turn to the higher authority to settle constitutional matters.

It would be very easy to request an opinion and, in that sense, the sectors that expressed such doubts, and the president of the Republic, would have to abide by the Constitutionality Court ruling. But, I repeat, this would be in case where the need was real. I do not think it is necessary. I already have the opinion on this as well as my personal opinion on constitutional matters. But if the doubts persisted, we would turn to the court.

[Reporter] [Question unheard]

[De Leon] I would not say that some persons.... [pauses] On 21 July I answered part of that question. I would not say there are groups directly trying to destabilize. What happens is that in some cases some individuals are involved, who have nothing to do with the student or workers union movement, and who take advantage of the situation to commit crimes or for god knows what other reasons. I would not say groups are trying to destabilize the country. As I said at the beginning, the evidence so far leads us to this conclusion.

I do not think this affair involves groups interested in destabilizing the government. I think it is simply a matter of certain other groups, and the law should be applied to them.

[Reporter] Again, on the topic of the peace proposal, does this mean that [words indistinct]

[De Leon] No. The proposal is in an overall framework of the axis, of the two or rather three axes, as one refers to the end of the armed confrontation. The second refers to the construction of peace and the third axis is operational.

No. The axes have been proposed and the structure has been explained. Around that structure the proposal can be tuned and made operational because the government is interested in attaining peace. The government's political will is not being questioned or doubted. And I reiterate what I have said several times before, when I speak of the government I speak of the Guatemalan Army, which is part of the government. The government's political will for peace has been clearly established. The international community completely trusts in the current government, over which I preside.

We want to make it viable, eliminate the obstacles, and make it practical, not leave it in theory. Through the comments and opinions we have received from various sectors, we want to tune this proposal so that it is viable and Guatemala is able to attain true peace, not just the absence of war but economic and social peace.

[Reporter] [Question indistinct]

[De Leon] I have said I am not committed. Fortunately, I do not belong to any political party. I do not have a political party; I have no commitment. My commitment is to Guatemala. My political party is Guatemala. When I have a better idea about what Guatemala wants, a diagnosis so to speak, then I will decide. When that occurs I will be moving on firm ground and I will present a peace proposal to open the way for discussion.

I would like to take this opportunity to express the government's consternation, and my personal feelings as Guatemala's president, for the death of Journalist Miguel Angel Ortega, a member of the DIARIO DE CENTRO AMERICA team. When I learned the news I was stunned because Felix Loarca Guzman, secretary of information in the Presidency, had mentioned him just days ago. More specifically, we had thought that Loarca might work with us here in the information office, but we were unable to contact because of his health problems. I would like to express my deepest condolences to the journalist community and the Association of Guatemalan Journalists. Allow me to say how sorry I am for the death of such a distinguished journalist.

[Reporter] [Question indistinct]

[De Leon] I was quite clear before when I said I agree with the minister's statements. Before speaking about selling assets or privatizing things, we must discuss monopolies. This process must progress in stages and each one must be addressed accordingly. This does not mean that we cannot discuss the future possibility of selling specific assets and specific companies, but that will come at its proper time. We are not discussing anything along that line at this time.

[Reporter] [Question indistinct]

[De Leon] I met with the members of the permanent commissions. It was a very positive meeting. I reaffirmed what I had said when I was a part of the mediating body—and what I maintain as president—which is the government's political will for the massive return, the voluntary return of the refugees, under the established conditions. These conditions are clearly defined in the agreements of 8 October 1992 and 12 January 1993. The only thing pending is the restructuring of the Special Commission for Assistance to Repatriated People [CEAR]. The government's part in this commission will be completely restructured in accordance with the current needs and circumstances surrounding the issue. We wish to put together a team with the good faith of the mediators, the verification committee, and the international support group [word indistinct] to eliminate the obstacles and smooth the refugees' return.

It is essential that we follow the current procedure. This procedure is clearly established. It begins with locating and identifying the land and ends with the refugees' reintegration and readaptation in Guatemala. We cannot jump to any one of these stages. I was very clear on this and they understand it perfectly. Please remember that the refugees, the more than 40,000 refugees currently in Guatemalan hands living in Mexico, are farmers. They are Indian farmers, who only know how to work the land, and they want to return to their land to continue working. Hence, the first thing we must do is resolve the land problem. If possible, they should return to the same plots they had before. If we cannot do that, we must grant them other plots, which must be chosen by agreement to prevent any new problems. This is one stage that cannot be skipped.

I perfectly understand their wish to return as soon as possible, but we must follow the established procedure. This land issue, for example, cannot be put to one side to continue with some other stage. The land is first. If not, they may return to a place that is not their own, to land they cannot work, or to a place that could become a conflict later. We agreed that the government, CEAR, and the other entities that are part of this operation will begin the homecoming process again, but according to the conditions set forth in the agreements, and with the government's full support.

Naturally, we have to consider that there is ongoing armed strife in Guatemala and, unfortunately, the refugees usually return to areas in or very near to the conflict zones. This, naturally, complicates the situation for us as [words indistinct] that is more effective. Even under such a situation, however, which is not the best, the government is willing to ensure that the refugees return in the manner established in the agreements signed between the refugees and the government.

[Reporter] [Question indistinct]?

[De Leon] I visited them approximately three months ago, when I was not the president of the Republic. They are in an estate located near Retalhuleu Department, which was assigned to them by the previous government. The truth is that I was shocked by their living conditions. We need to give them the necessary opportunities—because I do not want to use the word aid—so they can advance. The truth is that they already have land and a place to live. Their living conditions need to be improved. This matter will have to be studied by the institution [words indistinct] to try to give them opportunities so they can improve their living conditions.

[Reporter] [Question indistinct]?

[De Leon] No, I have not gotten it yet.

[Reporter] [Question indistinct]?

[De Leon] On that subject, we have reached the decision to prepare a low-income housing program. This will allow us to, at least, reduce the serious housing deficit. We have suffered from the deficit for many years and not only have we been unable to reduce it, but it gets increasingly worse. Thus, with our resources, which are not much, we have decided to prepare a housing program. We, however, are studying the situation to determine the organization that will be given to the National Housing Bank, which has many problems [words indistinct]. The last two [words indistinct].

[Reporter] [Question indistinct]?

[De Leon] In regard to what?

[Reporter] [Question indistinct]?

[De Leon] There has been a great deal of speculation regarding the Culture Ministry. It has been said that the president has reorganized it and wants to eliminate it [words indistinct]. This is not true. I want to say this very clearly and especially to the reporter who asked the question, for he is so closely related to culture. We decided to listen to opinions regarding the best direction of the Ministry.

Sometimes a president must make decisions very quickly. This is true. There are other times, however, when he can delay a decision. It is advisable to hear from several people and sectors before making decisions. This is what we have done in this case. The vice president of the Republic, specifically, is listening to different opinions and views to reach a decision on the matter. The decision, however, will never be to eliminate the Ministry. We want to gather all the information we can and listen to different opinions because we want this Ministry to be able to foster culture effectively.

[Words indistinct] for elitist sectors but to allow the Guatemalan grassroots—not only the elite sectors— to know, promote, defend, and be exposed to culture. We want them to be able to enjoy the Guatemalan culture that is so rich and valuable.

To summarize, we still have not reached a determination in this respect. Rest assured, however, that our decision will be most appropriate for the Ministry or directorate, or whatever term is decided in its reorganization. It will make their work more efficient and operational. I believe the Ministry should continue as such but that structural changes should be made to facilitate its effectiveness.

Nicaragua

Former Contra Rebels To Negotiate Demobilization

PA2607234693 Mexico City NOTIMEX in Spanish 2202 GMT 26 Jul 93

[Text] Managua, 26 Jul (NOTIMEX)—The group of rearmed former contras called the 3-80 Northern Front announced today their decision to negotiate their demobilization and, as a demonstration of goodwill, suspended the sabotage to collective transports in northern Nicaragua.

In an official communique read over a local radio station, the group of the "recontras," as they are also called, stated their willingness to negotiate with the government headed by Violeta Chamorro to reach an agreement. The 3-80 Northern Front abstained from revealing proposals or demands they would present in an eventual negotiation.

In the past, the 3-80 Northern Front has demanded socioeconomic compensation and political reforms similar to those demanded by the political coalition National Opposition Union.

The Congress endorses the peaceful disarmament of approximately 1,400 former contras and former Sandinist soldiers who operate in northern Nicaragua, a country that is undergoing a process of national reconciliation.

PRN Holds First Congress in Juigalpa

PA2607200693 Managua Radio Corporacion in Spanish 1030 GMT 25 Jul 93

[Excerpts] On 25 July approximately 15,000 members and supporters of the Nicaraguan Resistance marched in Juigalpa on the occasion of the organization's first national congress. At about noon, Commander Josue addressed the delegates.

[Begin Josue recording] It is a great honor for me to present at this event one of the most important senators of the United States, who loves Nicaragua very dearly. He is Senator Connie Mack of Florida, a member of the powerful Senate Appropriations Committee. [applause] Mack has sent a message to the National Commission for Nicaraguan Resistance Unification. Let us hear applause for Senator Mack. [applause] [passage omitted] [end recording]

On 24 July the Nicaraguan Resistance Party [PRN] held its first congress at Aguerri Theater. PRN President Luis Angel Lopez opened the event with a speech in which he said that each delegate to this first congress had paid his own expenses because the party does not have money. The PRN is formed by fighters, activists, and supporters who struggled bravely to achieve democracy in Nicaragua.

At the outset the National Council of Political Parties created an excessive number of hindrances to prevent the formation of this party. Some people, Lopez said, joined the PRN very late and are now trying to present themselves as Nicaragua's saviors.

The congress concluded at approximately 1800 after several speeches and the unanimous confirmation of the PRN National Directorate. The party's first political event was attended by important political figures, including Azucena Ferrey and Fabio Gadea Mantilla, who received a loud ovation from all the PRN delegates.

Police Arrest Men Involved in Sabotage of Towers

PA2607131993 Managua EL NUEVO DIARIO in Spanish 24 Jul 93 pp 1,8

[Report by Socorro Lopez]

[Text] Masaya police arrested five persons implicated in a terrorist plan to sabotage the electrical towers that connect the country with Costa Rica, which would have left Nicaragua without communication with the rest of the Central American countries. The terrorist plan would have also caused the death of several persons who live close to Masaya's electrical plant.

The group that tried to carry out a reign of terror in the region on 16 July are all Masaya residents. In addition, Benjamin Ernesto Gutierrez Collado, 27, the group's mastermind, was a bodyguard to Antonio Saenz, UNO [National Opposition Union] councilman. Mr. Saenz has recently withdrawn from the municipal council.

The other persons arrested include Francisco Javier Gonzalez Acuna, 27, a resident of La Malvinas neighborhood; Donald Vinnet Chavarria Jarquin, resident of Ulises Tapia Roa neighborhood; Yans Evert Urbina Caldera, 23, resident of San Juan neighborhood; and Luis Javier Raudez Carrion, 20, a shoemaker from Kuhn neighborhood located near the station.

Commander Orlando Aguilera, Masaya national police chief, stated that during the investigation it was discovered that Benjamin Ernesto and Francisco Javier had carried out a thwarted holdup on 15 July against taxi driver Jose Denis Pena Pacheco.

In an effort to prevent being robbed, the taxi driver attempted a maneuver that forced both men to fall. The former bodyguard was able to escape, however, his accomplice Francisco Javier was arrested by the police.

Under police questioning it was possible to obtain the identity of Benjamin Ernesto Gutierrez Collado and his direct link to the Nicaraguan Resistance National Salvation Democratic Front. It was also discovered that Gutierrez Collado was in control of several grenades that were to be used to blow up the electrical towers located 1,000 meters from kilometer 29 and 30 road markers.

National Police Commander Aguilera disclosed that the terrorist plan was uncovered more than 15 days ago when it was being prepared at Benjamin Ernesto Gutierrez Collado's home. Police were able to find a detailed sketch of the electrical towers outlined on a blackboard.

Before carrying out the holdup against the taxi driver, Francisco Javier Gonzalez arrived at Collados' home where the grenades were hidden and gave them to two strangers, who would carry out the sabotage. The rest of the plan would be carried out by both Collado and Gonzalez.

The entire plan consisted of obtaining a vehicle that would be used as a getaway car after the sabotage attack. However, the plan was foiled before it could be carried out.

Four hand grenades were seized from the terrorists including three FUSE M3-13 and a RDG-5, a smoke grenade, eight complete AK rifle magazines with their respective ammunition, and 45 meters of nylon fuse.

Police Commander Orlando Aguilera indicated that Benjamin Ernesto Gutierrez Collado, the mastermind, is a member of the PRN [Nicaraguan Resistance Party] while the others are affiliated with the PLC [Liberal Constitutionalist Party]. They all acknowledged that details of the terrorist attack they were planning to carry out were known by Juan Hernandez, Masaya department PRN leader; Antonio Saenz, Masaya UNO councilman; and Eliseo Nunez, PLC national deputy coordinator.

On the other hand, a Masaya police department official, who chose to remain anonymous, stated that PLC coordinator Eliseo Nunez and Councilman Antonio Saenz appeared before Police Commander Aguilera to request information about their respective party members. After learning that they had been implicated in the terrorist plan, they both accused the Masaya National Police of fabricating the plan. The unknown official stated that Police Commander Aguilera had to remind them that he was the police authority in the city of Masaya.

Argentina

Menem Holds News Conference; Notes U.S. Envoy's Remarks

PY2307211793 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1605 GMT 23 Jul 93

[Text] Buenos Aires, 23 Jul (NA)—Argentine President Carlos Menem today confirmed that Interior Minister Gustavo Beliz will stay in office. He also voiced his outright rejection of the Radical Civic Union's note to Cuban leader Fidel Castro, and announced that the Argentine Government will send 340 military personnel to Cyprus as part of UN peacekeeping forces.

Menem stated that the ongoing investigations into reports of threats against journalists "will be intensified." Asked about the "tractor rally" to be carried out by agricultural organizations, he said that "they can do it," but then he rhetorically asked: "And then what?"

Menem announced that the concession of Channel 5 to the Catholic Church in the federal capital "is under study." He said: "There is no smoke without fire." He added: "There is nothing concrete, but it is a possibility. For its part, the privatization of Channel 4 is also a possibility, but one that is much more certain, firm, and consistent."

In an unscheduled news conference at the press room in government house, Menem described the accuser of Antonio Erman Gonzalez, the Peronist candidate for deputy in the federal capital, as "a swindler, a criminal, who will end up in jail."

Asked about reports that Interior Minister Beliz would resign, Menem said: "Minister Beliz has in no way been overwhelmed by events. He is completely sure of what he is doing, and he enjoys the full confidence of the president of the Republic." He added that these rumors "are part of a campaign that will not succeed."

In this regard Menem said that "never before has there been such broad freedom, such a level of security in Argentina. That faction within the opposition has no other recourse but to act in this way."

Menem added: "As I said earlier, these are small groups. Yet we should find out the motives behind the cowardly attack against journalist Marcelo Bonelli, whose name has now been added to the list of journalists attacked throughout history."

Regarding salary increases, Menem said that "the established basic salary will have absolutely no bearing on labor relations."

He added: "We increased the basic salary to 200 pesos because it would not affect the established guidelines for salary increases." He made it clear that "the concept of productivity as a factor in determining salary increases remains in full force."

Commenting on remarks by new U.S. Ambassador James Cheek to the effect that he came to Argentina "to lobby" for U.S. companies, Menem said: "We must clarify the meaning of lobbying, whether it means to defend the interests of the country one is representing or not."

He added: "Our ambassadors also perform similar duties. There are also Argentine companies that are now working, to which contracts have been awarded. Our diplomats are thus interested in helping our companies obtain new contracts in different areas."

Commenting on a draft bill sponsored by Peronist senators proposing a constitutional reform allowing for presidential reelection, Menem said: "It is going to fare well."

Asked about recent bribery charges levelled at Erman Gonzalez, the Justicialist Party candidate for deputy in the federal capital, Memem—visibly annoyed—stated that "a completely false charge made by such a notorious swindler should not have received that much publicity." He believes this charge "is part of a pre-electoral campaign."

With relation to this he warned the public that "this type of campaign will steadily intensify until 3 October, but people should not be afraid that we might declare a state of siege in the Republic, or detain people at random, such as was done here in 1985 and 1987."

Menem said that the opposition "has mentioned to us the possibility of the Lebanization of Argentina." In this respect he said that "when someone experiences a rising sense of frustration, he tries to create situations that would provoke alarm within the community, such as planting bombs and threatening journalists, but we will not be dragged into this type of game. We will remain absolutely calm."

Menem reported that security forces "are investigating" cases "with the necessary caution" to avoid "doing intelligence work that might be construed as being based ideologically," because "one has to move with care in light of this campaign, which has been unleashed precisely during an electoral period."

He added: "Meanwhile, we could say that this type of campaign is being used to hurt the government."

'Annoyed' Over Alleged Criticism of Spanish Leaders

PY2407003893 Madrid EFE in Spanish 1651 GMT 23 Jul 93

[Text] Buenos Aires, 23 Jul (EFE)—President Carlos Menem and the Argentine Government are annoyed at the "inexact" versions of a statement made by Menem allegedly criticizing King Juan Carlos and Spanish Prime Minister Felipe Gonzalez.

Argentine Foreign Minister Guido Di Tella expressed to EFE the feelings of Menem and himself, as well as the indignation they feel toward the Argentine newspaper that originated the incident.

Upon returning from the Third Ibero-American Summit of chiefs of state and government, which ended last week in Salvador, Bahia, (Brazil), Menem expressed in criticism that some leaders did not express in public what they thought in private about Fidel Castro.

At the Ibero-American Summit Menem had held the most severe position toward the Cuban regime, and requested emphatically that Castro restore democratic liberties.

Foreign Minister Di Tella said that Menem's statements about the public and private opinions of some Ibero-American leaders on the Cuban regime have been the object of "flagrant distortion" by the newspaper PAGINA 12 of Buenos Aires.

In a front page headline the newspaper had interpreted that the Argentine president had labeled the Spanish king and prime minister "hypocrites."

The word "hypocrites," which was repeated on other pages of the newspaper, was never mentioned by Menem, as demonstrated in radio and television interviews, Di Tella said.

The Argentine foreign minister expressed to EFE deep displeasure over the newspaper article, which was cited or transcribed in three Madrid newspapers.

As is publicly known, Menem feels deep friendliness toward King Juan Carlos and Felipe Gonzalez, for whom he also feels deep respect, Di Tella said. "This is a great nuisance," he added.

The minister likewise expressed his concern over the negative repercussions from this incident among the Spanish public, three months from the official trip he is supposed to make to Spain.

The interpretation by PAGINA 12 was cited in the Spanish newspapers ABC, EL MUNDO, and DIARIO 16.

The foreign minister sent letters of clarification to the Spanish newspaper editors.

On 21 July Di Tella summoned EFE and ABC correspondents to his office and commented on the incident, which is the consequence "of maneuvers by a local newspaper which attempted to harm the excellent relations between the governors of our countries," he said.

The foreign minister said that the close and cordial relations existing today between Buenos Aires and Madrid "will be further reinforced through the visit by the Argentine president to Spain at the end of October."

Menem Agrees To Send Troops to Cyprus for UN Mission

PY2607170093 Buenos Aires BUENOS AIRES HERALD in English 24 Jul 93 pp 1, 11

[Excerpt] (DYN)—Responding to a United Nations request, President Carlos Menem announced yesterday that he plans to send troops to Cyprus to take part in a United Nations peacekeeping mission stationed between the island's Greek and Turkish sections.

The head of state said that the contingent, which will be acting under the authority of British officials, will initially include 170 Army and Navy personnel. He anticipated doubling the number of deployments in the future.

UN Secretary General Butrus-Butrus Ghali recently requested that Argentina provide troops to the effort.

Since the 1974 Turkish invasion a line was drawn in Cyprus to separate the two ethnic groups in an effort to avoid further conflicts. Austrian and British troops are positioned in Cyprus, and Denmark and Canada recently withdrew from the peacekeeping mission.

Costs from the training and transfer of soldiers will be covered by Argentina. In exchange, once the troops are based in Cyprus the UN will pay for the maintenance and deployment of Argentine Blue Helmets.

Those involved in the peacekeeping mission will receive a 1,000-dollar monthly additional along with their regular Armed Forces salary.

Argentina "will only participate in peacekeeping operations. That is to say, those that help restore peace in conflicts," Ambassador Hernan Massini Ezcurra, director of the Foreign Ministry's Department of International Agencies said yesterday.

"Argentina is not going to take part in armed intervention," Massini Ezcurra said during a meeting with members of the United Nations planning team. [passage omitted]

Menem Answers Opposition Criticism of Stance on Cuba

PY2607170493 Buenos Aires CLARIN in Spanish 24 Jul 93 p 4

[Text] President Carlos Menem answered the Radical Civic Union [UCR] leaders who "ordered" him to apologize to Latin America for his statements against the Fidel Castro regime. "That is a self-interested, ungraceful, and lowly interpretation by the UCR. I did not insult Latin America or its presidents at all. Now, if they want to apologize to a dictator (Castro), that is something else," Menem said.

The UCR attitude also was rejected by the Justicialist Party [PJ] in a strong communique that states: "The Radicals want to apologize to a dictator rather than demand free elections and freedom for the Cuban people."

The UCR, the main opposition party, criticized Menem's position regarding Cuba during the Ibero-American Summit that took place in Brazil. During the meeting, President Menem accused Castro of, among other things, violating human rights and restricting liberties. The UCR urged him to make Argentine foreign policy a national, responsible, and state policy.

Menem yesterday criticized the UCR, and reminded that when it was in the government it had supported the former Sandinista regime of Nicaragua with money. He also complained about the generosity of former President Raul Alfonsin toward Cuba, regarding its $1 billion debt to Argentina.

"If the Radicals have become Castroists, it is their business. I am anti-Castro, not anti-Cuban. I respect the Cuban people and I express my solidarity with everything they have to bear," Menem said.

Meanwhile the National PJ Council attacked the UCR by saying: "Once again the UCR, which lacks any alternative solutions, moved by resentment, has criticized an international position adopted by Argentina regarding the Cuban dictatorship."

Menem on Political, Social, Economic Issues

PY2607223093 Buenos Aires LA PRENSA in Spanish 13 Jul 93 p 4

["Most significant excerpts of a lengthy, exclusive" interview with President Carlos Menem by reporter Alfredo Mariano Olivera; place and date not given]

[Text] [Olivera] Is the so-called strategic relationship with the United States in response—as some people suggest—to a type of admiration for the powerful or has it another conceptual basis?

[Menem] It basically involves looking after national interests, both in our relations with the United States and in our rapprochement with the EEC, the United Kingdom, and other nations with which we maintain rather close ties. Of course, we admire those nations that have demonstrated their ability to grow. This is the reason behind our attitude, beyond the good personal relations—as in the case of the United States—we cultivated with former President Bush and with the current U.S. President.

[Olivera] This government really has privatized a lot. Some people say our future is being mortgaged because we are selling "an heirloom." What is your response to that?

[Menem] Following the state reform, we met the fiscal deficit problem head-on and severely. We also eliminated one of the largest sources of corruption that our community had endured for years. This was not an "heirloom," it was a true mortgage that had weighed heavily on our entire society.

In the book of world blunders you would find YPF [Government Oil Deposits] listed as the only oil company in the world with huge losses. We will continue to pursue this path because it benefits our country, regardless of the opinion of demagogues, unsuccessful people, and those who practice an ill-advised nationalism.

[Olivera] Nevertheless, Mr. President, many claim that the privatizations were necessary, but done in a different way than that implemented by your government....

[Menem, interrupting] Who claims this? Those who talk a lot and accomplish little. Or did [former President Raul] Alfonsin privatize anything important? Why did [Cordoba Governor Eduardo] Angeloz not privatize Epec [Cordoba Provincial Power Company]? I am telling you this in spite of my respect for the Cordoba governor.

[Olivera] Does this mean that the entire process of transferring state-owned enterprises was implemented the way you imagined and without mistakes?

[Menem] Of course we made mistakes. Who has never made mistakes? Nevertheless, the process was essentially implemented in accordance with our projections and general results are satisfactory overall. It must not be forgotten that we have implemented a true revolution. This momentous change blasted a system that fostered a high level of corruption.

[Olivera] Increasing the number of Supreme Court justices has been viewed by some circles as an evidence of "judicial insecurity" in our country....

[Menem] Who claims this? The UCR [Radical Civic Union] people who abandoned the government in 1989 left in the congressional records a bill increasing the number of Supreme Court members from five to seven. Should we also ignore the fact that they appointed more than 85 percent of the judges currently serving in our country? The courts here are independent, regardless of when their members were appointed.

[Olivera] Do you believe the democratic system can be enhanced without an active opposition? What is your response to those who talk of a "hegemonic project, alluding to the one you embody? [no closing quotation marks as published]

[Menem] There is no hegemonic project here. Unfortunately, the important opposition circles lack proposals and this is not good for the system they allegedly advocate. For example, during the last government, [UCR] Senator [Fernando] De la Rua approved a social security emergency law suspending lawsuits filed by our nation's pensioners, yet now he opposes the solution proposed by this government, without raising any valid alternative. And all this while claiming that he champions pensioners. It is most curious....

[Olivera] Moving on to review the ruling party status, what is your explanation for the so-called "internal maneuvering?"

[Menem] There is no such thing. Within this government there are instrumental points—within precise conceptual limits—that may be discussed. Opinions may be voiced.

Nevertheless, the main course will always follow the directives issued by the president of the Republic.

[Olivera] Could there be a plebiscite over the constitutional reform issue, without congressional participation?

[Menem] The Constitution does not contemplate nonbinding plebiscites, but it does not prohibit them either. If such a course is taken for reasons of greater expeditiousness, we could decree it.

[Olivera] What is your answer to charges of "ideological harassment? [no closing quotation marks as published]

[Menem] It is pure nonsense. Any Argentine citizen of good faith can confirm every day that there is absolute liberty here and that no one who abides by the law is harassed.

[Olivera] Are you not afraid that your criticism of some media may be interpreted as forms of "pressure?"

[Menem] Only yesterday a national daily twisted the meaning of a phrase of mine in its headline, citing my alleged acknowledgment of an "atmosphere of corruption " within an issue I repeatedly addressed when it was my turn to assume the heavy burden bequeathed by the past government. The point is to report objectively, without denying the right to voice an opinion which must be faithfully rendered.

[Olivera] Are you ruling out any possible agreement with the UCR on issues of paramount importance for our country?

[Menem] I am not ruling it out, but that party's current attitude makes me believe that it will be difficult to achieve. Nevertheless, I will continue to struggle to enhance talks among parties.

[Olivera] Some people claim the Armed Forces have been weakened through the management of the budget....

[Menem] The Armed Forces are being reorganized in keeping with our national goals and possibilities. They play a key role, but in no way it may be said that they are an island separated from the rest of the nation.

* Menem Addresses PJ Women, Anticipates Victory

93SM0325A Buenos Aires CLARIN in Spanish 12 Jun 93 p 8

[Text] During the closing session of the Justicialist Women's Congress, speaking in the heat of campaign fever, President Carlos Menem yesterday called upon "all Peronist women to celebrate on 3 October when we are going to stuff the ballot boxes with votes." He also attacked the radicals.

"When the radicals shoved us out of the executive branch of the government they pledged to pass transformation laws, but the only thing they did was reject everything we submitted in Congress," was another of the chief of state's acerbic barbs aimed at the leading opposition party. He was speaking to an auditorium in Parque Norte [North Park] filled with women from all over Argentina who were singing the Peronist anthem.

Nor did the press escape Menem's verbal broadside. In denying reports of clashes in his cabinet, the president said: "We are not going to tolerate any more lies in the media from people who want to destroy everything we have done." Without specifying which member of the media he was referring to, the president warned: "They may slander and libel us, but they will not in any way manage to make us deviate from the course we have taken."

For Reform

Menem was euphorically applauded by the Peronist women, some of whom even fainted due to a combination of emotion and lack of oxygen in the crowds near the official party's box.

The meeting was attended by the ministers of the economy, Domingo Cavallo, of the interior, Gustavo Beliz, and of education, Jorge Rodriguez. Also present were the secretary of the presidency, Eduardo Bauza, the legal and technical secretary, Carlos Corach, the heads of the PAMI [Comprehensive Medical Assistance Plan], Matilde Menendez, of the cabinet for women, Susana Franganillo, and of the PJ [Justicialist Party] department for women, Liliana Gurdulich de Correa.

Beliz also paid homage to the crowd of women, and in his speech said: "If we want to dignify political activity in Argentina, we cannot overlook women's participation." He added that "many people only pay lip service to this and then try to use women to get votes." But he did not forget to plant a tiny seed in this fertile ground when speaking of the PJ's biggest ambition, and he called upon this huge crowd of women to work for constitutional reform as "the golden jewels" of the political reform, and an "answer to the critics who point their finger and say yes to this or no to that."

In an obvious reference to the government's plans for a plebiscite, Beliz said: "We are also going to call upon the people to reform the Constitution."

Corach's speech was also triumphal in tone. He said: "In the isolation of a darkened room, millions of Argentines are going to reelect Menem in 1995." He asked: "What are they afraid of if the Constitution is reformed? One little clause is not going to reelect the president; nor is a constitutional convention nor an agreement among leaders. The people are going to reelect him if that is what they decide."

Ambassador to U.S. Discusses Lobbying Plans

PY2607170293 Buenos Aires BUENOS AIRES HERALD in English 24 Jul 93 p 11

[Text] (DYN-NA)—Argentine Ambassador to the United States Raul Granillo Ocampo announced yesterday that he is going to lobby in favour of Argentine agricultural exports that are harmed by the subsidies that the U.S. Government applies to the sales of its products outside of the country.

The diplomat, in statements from Washington through Radio Continental, said that he is "full of enthusiasm" since he started his mission there.

Even though Granillo Ocampo has already begun carrying out his duties as ambassador he will not officially present his credentials to President Bill Clinton until September.

When consulted over the statements made on Thursday [22 July] by newly appointed U.S. Ambassador to Argentina James Cheek in which he expressed his intentions to lobby for his country's businesses, Granillo Ocampo responded that "I will do the same as Cheek in order to benefit Argentine companies."

"One of the duties of an ambassador is to try to defend and advance the interests of the country. Not only the state but the private sector," said Granillo Ocampo.

Granillo Ocampo also said that lobbying is not "wrong as long as you try to push for things within legal, logical and prudent limits."

President Carlos Menem also commented on Cheek's remarks yesterday, saying that "all ambassadors (of his government) represent Argentina, but also, the community where he serves."

After describing how diplomats are expected to lobby for their countries' companies, Menem said, "this is normal for all ambassadors."

Economy Minister Domingo Cavallo had his own interpretation of Cheek's statements in lobbying.

"He did not say that he lobbies for U.S. companies. He said that he lobbies for U.S. interests, and that is what all ambassadors from around the world do," said.

"Our ambassadors have to lobby in favor of Argentine interests in each one of the countries where they are accredited and the foreign ambassadors lobby in favour of their countries."

Granillo Ocampo made other remarks yesterday from Washington. He said that "The politics of the United States, European Community and Japan have generated regular barriers that block free traffic between the countries and which have damaged Argentina."

The envoy admitted that the trade issue isn't an easy one, considering that there are so many countries and interests.

Regarding the position on Cuba that is going to be adopted, Granillo Ocampo said that "this has been perfectly defined by our President and by our foreign minister. We adopted a standard policy that rejects all political systems that don't respect human rights, democracy and free trade."

Di Tella on U.S. Subsidy Policy, Relations

PY2607182593 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1457 GMT 26 Jul 93

[Text] Buenos Aires, 26 Jul (NA)—Argentine Foreign Minister Guido Di Tella reiterated that the U.S. policy of farming subsidies "is very bad," and he added that given that bilateral relations with the United States "are so good" he allowed himself "to be very harsh regarding the trade subject" during the meeting he held with U.S. Ambassador James Cheek.

Di Tella announced that the U.S. and French experts who will present alternative works to recycle the missile plant in Falda del Carmen will arrive in Argentina by the end of the month.

In statements to the daily EL CRONISTA, Di Tella said relations with the United States "ceased being carnal [carnales] and have become cheek to cheek," using the last name of the new ambassador to describe bilateral relations.

The minister said that "much nonsense was said" about bilateral relations depending on the good relation between Presidents Carlos Menem and George Bush.

"This very good political relation has allowed me to be very harsh in my conversation with Cheek in the field of trade, which is a permanent subject of complaint. That is why I insisted on saying that the U.S. subsidy policy is very bad," Di Tella said.

Regarding the Condor-2 subject, the foreign minister said he considered it a "nefarious project" and that it was destroyed "not to favor anyone but so Argentina would not be labeled as foul and repulsive like Iran and other countries."

He added that if the Falda del Carmen missile project had not been dismantled, "the United Kingdom would have continued arguing against our claims over the Malvinas Islands," and Argentina would "have been denied" all access to technology.

Regarding the Falda del Carmen plant, Di Tella said it has been specifically planned to install in its place a "space project because it is cheaper and less worn out than that of launchers."

He said that given its location, which is "near an important university and an agreeable river resort," it will be attractive to researchers and executives.

As for the sale of Pampa airplanes to the United States, the foreign minister said: "It is a bid in which we have good chances."

Uruguay-Falklands Flights With Argentine Stopover Viewed

PY2307154993 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0036 GMT 23 Jul 93

[Text] Buenos Aires, 22 Jul (NA)—Foreign Minister Guido Di Tella reported today that a private airline company is interested in establishing flights between the Uruguayan city of Montevideo and the Malvinas Islands, which could include an "optional" stopover at Ezeiza International Airport.

The foreign minister said that if this airline company formally submits a request, the Argentine Government "will authorize the flights" between the Uruguayan capital and the Malvinas Islands.

"It would be very beneficial if the islanders come to Argentina. If that is not possible, the second best option would be that they travel to Punta Arenas [southern Chile] or Montevideo, which we will authorize if the company requests permission to travel between Uruguay and the islands," the foreign minister said.

Di Tella jokingly said: "If the islanders come to Montevideo, they might be tempted to visit Argentina, which is such a beautiful country."

The foreign minister said this during a news conference this afternoon at the Foreign Ministry to discuss the explanations he gave this morning to President Carlos Menem and members of the cabinet on the latest meeting of the UN Decolonization Committee.

During that meeting, held on 14 July at the United Nations headquarters in New York, all members of the committee supported the recomendation that Argentina and Great Britain discuss the issue of sovereignty over the Malvinas Islands.

Di Tella said "it is a very important" that countries like Fiji, Papua Guinea, Sierra Leone, and Trinidad and Tobago, "which have always abstained in this type of vote, decided to accept the consensus" and to vote in favor of Argentina.

Concerning the discussion held between the two countries on the sovereignty over the archipelago, Di Tella said that "the return of the islands to Argentine sovereignty is possible and will take place, but it will require a special status" for the territory.

He said: "What is clear is that it will be a new entity, an associated free state or an autonomous province. It is conjectural to think that there will be no need to create a new entity, which implies the need to negotiate this with Tierra del Fuego."

Asked about the time needed to transfer the islands' sovereignty, the foreign minister again jokingly said: "Between now and the end of this year, or next year, or the next, or the next, or the next."

Without contradicting President Menem, who said that Argentina would recover the Islands in the year 2001, Di Tella said that this is "one of the deadlines." He added that "through bilateral negotiations," and within the United Nations, the Malvinas Islands will return under national sovereignty.

The foreign minister said that the dispute over the sovereignty of the islands "is between the governments of Argentina and Great Britain," although he admitted that "the British decision depends essentially on the islanders."

Di Tella added: "We accept that the islanders have acquired an important power to veto and for this reason we will talk with them."

Although he stressed the importance of the results obtained at the Decolonization Committee meeting, Di Tella admitted that concerning the South Atlantic issue, "relations between the two countries are not good."

He said: "The British threat, the decision to patrol made unilaterally to preserve fishing grounds in the zone of influence, is very serious," adding: "We could never understand why this threat was made."

The foreign minister again discussed the dismantling of the Condor-2 missile. He said: "Had Argentina continued with that project, the British would have doubled its arsenal there."

"It is not with nuclear warheads that the country is defended. On the contrary: Had we continued with the Condor-2, the sovereignty issue over the islands would have been frozen and covered by an absolute mantle of doubt," he said.

In conclusion, the foreign minister said: "There are no records or serious suggestions to show that Chileans had chemical weapons at any given time."

Di Tella To Consider 'Associate State' Status for Falklands

PY2607201993 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1534 GMT 26 Jul 93

[Text] Buenos Aires, 26 Jul (NA)—In October, Foreign Minister Guido Di Tella will visit several islands in the northern hemisphere to evaluate "in situ" the "associate free state" mechanisms in force there, with a view to submitting something similar for the Malvinas Islands.

The minister confirmed that the Malvinas could be Argentine, but under the status of an associate free state, and this is why he will visit in October several islands that have that status, although the territories belong to other nations.

Di Tella indicated that he will visit the Aland Islands, which belong to Finland, but have a Swedish population; Greenland, an associate state of Denmark; while he will evaluate "in situ" the current status of the Isle of Man and of the island of Jersey, which have "a direct relation with Great Britain, but without a voice or seat in Parliament."

In describing current relations with Great Britain, Di Tella said that "things are going well in some matters, and in others there are serious problems," referring to the challenge submitted by Argentina over the unilateral decision to carry out oil exploitation in the Southern Atlantic area.

In remarks to the morning newspaper EL CRONISTA, the minister said that "he is overly optimistic" about the future round of negotiations on fishing, because Great Britain has submitted "a proposal that considers the Malvinas another country, and they have asked for quotas."

* Mercosur Joint Ventures With Brazil Often One-Sided

93SM0325B Buenos Aires CLARIN in Spanish
13 Jun 93 pp 28-29

[Article by Luis Ceriotto]

[Text] The original Mercosur [Common Market of the South] project is essentially unfinished. The differences between the Argentine and Brazilian economies (stability in relation to the dollar in Argentina, galloping inflation in Brazil) have converted the concept of economic integration into a simple reality: "Make it in Brazil and sell it in Argentina." This means that Argentina is open to imports, and Brazil has to maintain its trade surplus to keep its production system from collapsing. Its domestic market has a much lesser weight than what is misleadingly suggested by the size of its population.

The objective was to have the two parties join forces in order to export to third parties. That was the cornerstone of the Mercosur, which will have to wait for some brighter day in the future. To date the only joint ventures between Argentine and Brazilian companies are one-way business deals: producing there and selling here.

Banco Motores is a factory that makes small motors, located in Brazil's Curitiba area. It is the result of an association between Inverbras (Zanella of Argentina) and Caetano Branco of Brazil. Of its 1,600 50-cubic centimeter motors using variable speeds and advanced technology, 160 (10 percent) will stay in the Brazilian market. Twenty-seven percent are being sold in Uruguay, Peru, and Ecuador, and the remaining 63 percent are being exported to Argentina.

Georgalos formed an association with the Brazilian firms Lacta, Brahma, and Paoletti at the end of 1990. The Cordoban firm wanted to sell its products in Brazil, and in exchange, it would use its distribution network in Argentina to place Brazilian delicacies. It set up two plants (it had to expand its production), went into debt, and the only thing it got in two years was an increase in its role as an importer. Today it is talking with its creditor banks about how to repay its loans. It is not that Brazilian consumers do not like the Mantecol line; they just do not have the money to spend.

These two examples will probably have a different outcome. Georgalos is operating in the red, while Zanella is generating some profits (in a few months it will set up another plant in Curitiba, but this time for motorcycle motors). But in both cases the Brazilian market is saying no.

"The situation has changed since the Mercosur agreement was signed two years ago. The special agreements of the Alfonsin-Sarney era have come to an end. The protective 'umbrella' for industries has disappeared, and distortions have begun to appear between the two economies. Many foreign companies based in Brazil have established a base in Argentina, but only to create a foothold there," says Marcela Cristini, the chief economist of the FIEL [Latin American Economic Research Foundation].

There are exceptions. One is activities regulated by protocols (automotive products and auto parts, for example). Another exception is industrial complementation, but that has specific goals. That is the case of SIAT (Techint) and Confab Tubos of Brazil, which two months ago exchanged 30 percent of their stock packages. The two steelmakers both produce tubes with seams. They have decided they will each concentrate on different varieties in order to achieve economies of scale and reduce production costs. But they will only do that when there are jobs or bids justifying it. And to date no such jobs have appeared.

A report of the Economic Programming Department states that, of the 99 cases of bilateral economic ties established by the end of 1992:

- In 29 cases—especially in manufacturing projects—multinational companies are involved, ranging from automotive products (the two Autolatina firms, General Motors with Ciadea-Renault, and Fiat do Brazil with Sevel) to food products (Bongrain).
- Investments related to production and sales of automotive products and auto parts cover 25.3 percent of the 99 cases. They also represent 60 percent of the manufacturing initiatives. In 1992 Argentina accumulated a trade deficit close to $600 million with Brazil in just this category alone.
- However, the most frequent associations between companies with national capital—without any regulatory framework—are not for production but for services, especially between banks and insurance companies.

Some examples: the arrangement to provide complementary services between the banks of Credito Argentino with Geral do Comercio do Brasil, Osorno of Chile, and Continental of Paraguay; the Banco Frances (Argentina) with the Nacional (Brazil); the Quilmes (Argentina) with Boavista (Brazil), and provincial banks in Corrientes, Formosa, Entre Rios, Chaco, Misiones, and Sante Fe with the Brazilian banks of Rio Grande do Sul.

- Next in importance are consumer products (especially clothes and beverages), semifinished goods (plastics), capital goods (tractors and agricultural machinery, like the Agrale-Deutz case involving tractors), and construction.
- Of the 99 cases, manufacturing agreements take place in one or in both countries. But those of a purely commercial type are initiatives that fundamentally use Argentine marketing networks.

The paradox is that two and a half years ago when Argentine businessmen learned about the imminence of the Mercosur agreement, they were enthusiastic about the possibility of selling to a market with 200 million inhabitants. Now the leaders of the two countries are arranging massive wheat and petroleum purchases by Brazil from Argentina, commodities with almost no added value, in exchange for industrial products. With luck, they hope to reduce the deficit in the balance of trade between the two countries from over $1.5 billion (1992) to $1 billion.

But even in this area it is hard to work things out. A few days ago Brazil's foreign trade secretary, Renato Marques, announced that his government is going to regulate rice imports from Argentina, Paraguay, and Uruguay because of protests by the farmers in Rio Grande do Sul. "We need imported rice and they want to sell it to Brazil, but we have to control its flow," he said.

"Brazil is lagging behind in keeping its commitment. For the first time in its history it has been pegging its economy to the dollar because the foreign financing that has sustained it is beginning to dwindle. If they put their accounts in order and apply an adjustment policy, they will be able to maintain their industrial base. But if they continue to pursue subsidies, there will be a huge failure in their production system," predicts Cristini.

As if to bring that future even closer, Itamar Franco's government has now confirmed that it will continue to promote exports (through subsidies), which are needed to generate the surplus that keeps its economy on track. In response, the Argentine Department of Industry and Commerce usually investigates no more than a third of the dumping cases that are reported.

In this context, Argentina has now gone from receiving 2.5 percent of Brazil's exports to almost 10 percent. That is the worst sort of context for associations between "equal" enterprises.

Bolivia

Paz Zamora Escalates Verbal Attack Against Chile

PY2407000193 Madrid EFE in Spanish 2256 GMT 23 Jul 93

[Excerpts] La Paz, 23 Jul (EFE)—Bolivian President Jaime Paz Zamora today said that Chile is a country that is "retrogade and of the stone age." The president has thus escalated the tone of the attack that he launched against that country on 22 July.

During a military ceremony in La Paz the outgoing Bolivian president stressed that "this Chile that considers itself so modern regrettably remains in the stone age, and it is retrograde where Bolivia's maritime situation is concerned." [passage omitted]

Chilean diplomatic sources, who on 22 July expressed to EFE their surprise regarding Paz Zamora's attack, refused to make any comment regarding today's remarks. [passage omitted]

Attacks Chile as 'Retrograde,' 'Indolent'

PY2407031793 La Paz Television Nacional Network in Spanish 0100 GMT 24 Jul 93

[Excerpts] Yesterday, during a speech before high-ranking military officers, the president of the Republic said that Chile is an indolent neighbor, and referred to a lack of Chilean sensitivity over our landlocked problem. [passage omitted]

Today, during another military ceremony, the president of the Republic insisted on his words, and added adjectives descibing what was yesterday merely an indolent neighbor. [passage omitted]

[Begin Paz recording] I say it, and I reiterate it. In a Latin America that seeks integration, the Chilean indolence regarding the Bolivian problem is not only a moral indolence, it is a stone age and retrograde position. That is, this Chile, which considers itself so modern, regrettably remains in the stone age, and it is retrograde where Bolivia's maritime situation is concerned. There is no other case in the world where an agreement cannot be reached to solve a situation like this one. We have a sister neighbor country that remains indolent and conservative. [end recording] [passage omitted]

[Begin Paz recording] I appeal to the Chilean people, to its authorities, and to its Armed Forces, and tell them that this indolence cannot continue. It will sooner or later harm Chile. I suggest that Chile and Bolivia together might solve the Bolivian landlocked problem. Bolivia suggests as a solution—as I said yesterday, and I want the media to publish this—a peaceful, pragmatic, and gradual integration strategy. [end recording] [passage omitted]

[Begin Paz recording] I love Chile; it is a country I respect very much, I have even studied in Chile, but the fact that I love and respect Chile does not at all prevent me as a Bolivian from raising my voice to claim our sacred objective, and to tell the world that unfortunately Chile, notwithstanding its progress as a country, is in the field of Latin American solidarity, and in the field of peacefully solving its problems through integration, a backward, retrograde, and stone age country. [end recording]

The president suggested that faced with the Chilean refusal to help solve the Bolivian landlocked problem, Bolivia should insist on reactivating the port of Ilo, Peru, so that Chile will have problems in Arica.

Foreign Minister Denies Cooling of Relations With Chile

PY2407032993 La Paz Television Nacional Network in Spanish 0100 GMT 24 Jul 93

[Text] Bolivian Foreign Minister Ronald MacLean also spoke about the delicate subject of relations with Chile. MacLean does not believe that the statements made by President Jaime Paz Zamora represent Bolivian foreign policy.

[Begin MacLean recording] We said that the president made these statements on an informal occasion, in which he attempted to somehow illustrate our position or relations in the past. I think that what has been placed out of context is that since then our relations have evolved positively, in a style and manner that will precisely overcome these adjectives or old kinds of relations, as they have indeed so far been overcome. [end recording]

Could this situation, which has caused discomfort in Chile, cool our relations—which are maintained only at consular level—with that country?

[Begin MacLean recording] There is no ice. From our point of view relations have not cooled. Evidently many things we understand and feel in Bolivia are less understood in Chile. In the past these feelings were not even acknowledged in Chile. This is changing. There is a reeducation process in the two countries, to understand relations that ought to be constructive. [end recording]

Chile, however, insists on its position. Through its Foreign Ministry it has made public its rejection of the statements made by the Bolivian president, which contradict the attitude maintained by the governments of President Patricio Aylwin and Jaime Paz Zamora since they were sworn into their posts.

Wants To Resign Over Paz-Chile Incident

PY2607132693 Madrid EFE in Spanish 1657 GMT 25 Jul 93

[Excerpts] La Paz, 25 Jun (EFE)—The attacks against Chile made by outgoing Bolivian President Jaime Paz Zamora have caused a crisis in the Bolivian administration that could unleash the resignation of Foreign Minister Ronald MacLean in the next few hours, according to the media.

Sources close to MacLean told EFE today that "it is very possible that he may resign, although it is not certain," but the La Paz dailies PRESENCIA and LA RAZON say the foreign minister is waiting for the president to return on 26 July to La Paz to tender his resignation.

Paz Zamora is resting in his house in Tarija, south of Bolivia, close to Argentina. [passage omitted]

The Bolivian media today criticized the attitude of President Paz Zamora for attacking Chile after attaining great progress in relations with Chile in the past few years through the efforts of the Bolivian Foreign Ministry.

The newspaper LA RAZON today published an editorial entitled "President Paz Zamora Generates a Situation of National Shame" with his statements about Chile.

"Such a blunder is inadmissible in a chief of state," states the newspaper, which labels as "outrageous" the manner in which Paz Zamora has placed the country in "a situation of international shame."

The editorial adds that behind the president's attitude are concealed personal matters connected with internal struggles within his administration and party.

Chilean Foreign Ministry Under Secretary Rodrigo Diaz Albonico said on 24 July in Santiago that the attacks made by Paz Zamora are due to internal Bolivian problems.

The newspaper PRESENCIA states today in its editorial that "outgoing President Paz Zamora has insulted a country (Chile) with which the Bolivian Government was in a process of frank rapprochement."

According to PRESENCIA, "the worrisome issue is the president's lack of coherence," and it asks: "Has Paz Zamora prematurely begun the 1997 election campaign and is attempting to carry the banner of maritime vindication with Chile?"

Sources close to the Bolivian foreign minister told EFE that MacLean and his team have felt that their policy toward Chile has been totally "disauthorized and disqualified" by the statements made by Paz Zamora on 22 and 23 July.

Explains Reasons for Resignation

PY2607181793 La Paz Television Nacional Network in Spanish 1700 GMT 26 Jul 93

[Text] As we informed you a few minutes ago, Bolivian Foreign Minister Ronald MacLean will present his letter of resignation to the president of the Republic this afternoon. In the following report, he will explain his reasons.

[Begin MacLean recording] With his remarks, the president has changed this rapprochement. We already have seen the consequences. He obviously is fully entitled to do so. He also has the final responsibility for conducting and setting the course of our foreign policy.

Nevertheless, I am rationally and emotionally unable to accompany him in this change. Therefore, I believe it is appropriate for me to tender my resignation and for the president to appoint another foreign minister who, although there is little time left, can arrange this new way of approaching Chile.

These are the reasons that you know very well.

In my letter of resignation, I have confirmed to the president my sentiments of appreciation for his support, confidence, and gentleness toward the foreign minister. I am leaving extremely content with having had a flawless relationship with the president, and I believe this is the way one has to leave.

I hold him in great respect, great appreciation, and great admiration for his achievements during this administration and, obviously, for having given me the opportunity to cooperate. [end recording]

Paz Accepts Resignation; MNR Deputy Criticizes Paz

PY2707035493 La Paz Television Nacional Network in Spanish 0100 GMT 27 Jul 93

[Excerpts] As you all know, the declarations made by President Jaime Paz Zamora, and the repercussions from these in Chile and in our country, unleashed a crisis within the government and led to Foreign Minister Ronald MacLean's offered resignation and its acceptance tonight by President Paz. What is the opinion of some of the important personalities in the government, such as Vice President Luis Ossio and Senate President Guillermo Fortun?

[Begin recording] [Reporter Amalia Pando] Expressing complete support for the declarations made by President Paz Zamora on Chile, Vice President Luis Ossio believes that Foreign Minister MacLean should not resign.

[Ossio] The foreign minister will probably evaluate the situation with the president, and the president will give his last word on this case. It may be that the foreign minister will resign, but that the president will not accept it.

[Pando] What happens then?

[Ossio] He has to stay.

[Pando] According to Ossio, there is no contradiction in government in its foreign policy toward Chile.

[Ossio] I believe the president referred to something that is quite clear. Agreements have been reached in the world, such as the one between Germany and France, countries between which no one ever would have believed an agreement could be reached; there is also a rapprochment in the Middle East between the Arab countries and Israel. They are trying to solve problems. It can be perceived that in Chile there is not much interest in making progress in this regard.

[Pando] According to Vice President Ossio the president is the only one who can make decisions on the country's foreign policy. Senate President Guillermo Fortun, who belongs to the same party as Ronald MacLean [Nationalist Democratic Action] prefers not to comment on whether MacLean should have resigned or not. [passage omitted]

[Pando] We talked with Deputy Ernesto Machicao of the MNR [Nationalist Revolutionary Movement] who referred in this way to the situation facing Foreign Minister MacLean:

[Machicao] Foreign Minister MacLean has to decide between being a coherent individual or being incoherent, like the president. If he decides to continue to be incoherent he will have to continue as foreign minister. If he wants to be coherent he will have to resign; he has no other choice.

[Pando] This is what Machicao said about the declarations made by President Paz last week.

[Machicao] They are very unfortunate. I believe President Paz not only hurt his personal image—although this is not too important, because people in Bolivian foreign relations are unimportant, whoever they are—but in this case the problem is that he made the country look really bad. He made very harsh declarations, like talking about a stone age country. He made the country look really bad.

[Pando] Why do you believe he made those remarks?

[Machicao] It cannot be explained; only a psychologist expert in very strange cases could evaluate such contradictory behavior. I do not even want to imagine that this behavior was caused by internal political conflicts. That would be absurd and ridiculous, because the one that lost here is definitely the country, and not the future government. I therefore have to say publicly that I do not have the credentials of a psychologist so as be able to understand what happened, because his declarations have no political explanation.

[Pando] Deputy Machicao also regretted that this situation has also hurt commercial relations with Chile. [end recording]

Antonio Aranibar Possible Future Foreign Minister

PY2607145393 Madrid EFE in Spanish 1514 GMT 25 Jul 93

[Excerpt] La Paz, 25 Jul (EFE)—Sources close to the Nationalist Revolutionary Movement (MNR) and Free Bolivia Movement (MBL) alliance today told EFE that MBL leader Antonio Aranibar will be the next Bolivian foreign minister by virtue of this pact.

MNR leader and President-elect Gonzalo Sanchez de Lozada has offered the Foreign Ministry to Aranibar, who has accepted the offer, according to sources from the two parties.

The MNR, which won the general elections by a relative majority, has signed two separate agreements with the leftist MBL and the populist Civic Solidarity Union (UCS) to guarantee the election of Sanchez de Lozada in Congress and the governability of the country during the next four years.

The sources consulted by EFE said Aranibar will be the next foreign minister if the UCS does not veto his nomination at the last minute and if it agrees to its share of power, which has not been decided yet.

Since the elections, the UCS has become the third-largest political force in the country, while the MBL remains in fifth place, based on the amount of votes it obtained. [passage omitted]

Brazil

President Franco Holds News Conference

PY2307123093 Rio de Janeiro O GLOBO in Portuguese 14 Jul 93 pp 3, 4

["Text" of news conference granted by Brazilian President Itamar Franco to unidentified reporters in the Oval Room of Planalto Palace in Brasilia on 13 July]

[Text] [Franco] "Good morning. I will read my notes and will interrupt my reading to allow for questions. It will only take two hours. (laughter)

"You are well aware that when I assumed office, the country was in disarray. Many of the best officials had been removed—including members of security forces—important agencies had been dismantled, and there had been massive layoffs based on an obvious interest to deprive the state of seasoned and honest civil servants who took care to defend government assets. We are trying—through legal channels—to reinstate those civil service members who are needed.

"Our first concern was to reestablish the basic principles of political ethics, beginning at the government's highest levels. This ethical behavior has already yielded fruit—businessmen are once again investing in productive ventures, we have checked the rising level of unemployment, and the economy is growing. After two consecutive years of recession, we registered 3.5-percent growth in the first half of the year. We are rebuilding the country from ruin, but with the greatest difficulty. The state should once again assume its traditional role of guaranteeing—together with the other branches of the federal government—education, health care, public security, social welfare, and should boost productive activities.

"I see politics as an instrument of justice. Justice is acknowledging that all human beings have the right to a better life and guaranteeing that they have equal opportunities so that this aspiration may become a reality. We can assure today that this was enough to restore credibility in the head of state. Much still remains to be done so that the whole state apparatus conforms to this ethical behavior. But it is not just for the state apparatus to abide by ethical standards: The whole of society should realize that the state must be at everybody's service and that everybody has the same responsibilities when public interests are at stake.

"The Finance Ministry, through the Federal Revenue Secretariat, has launched a campaign to identify and punish tax evaders. It is inadmissible that workers should pay taxes, including the most burdensome and cruel, which is inflation, while crafty old foxes, who become rich thanks to inflation, fail to transfer the taxes deducted from workers' wages to the Federal Revenue Secretariat. I see politics as a tool to guarantee social justice. Social justice is to give everyone the same opportunities to fulfill himself in his job, in his life. Unfortunately, this does not happen in Brazil. We are acting under anguishing pressure to prevent thousands of Brazilians from starving to death.

"We also are participating in a program for children. For a long time poor children were considered by authorities as a simple police matter. I have said it before and I will repeat it: We will only be able to solve social problems in Brazil when we learn to see all Brazilians as we see our parents, our brothers and sisters, our children. We must understand that squalor not only stems from social insensibility; its root cause is in underdevelopment. Brazil must lift itself out of the relative backwardness in which it is engulfed. This demands a strategic project involving the whole national society. We must choose those areas in which we have a competitive advantage, such as using our immense natural resources, especially our biodiversity. It is here that we can find our whole potential for the new economy of the 21st century. This is the reason why the union of all Brazilians around such a project is inseparable from the adamant defense of our sovereignty, which in turn calls for a special regard for our Armed Forces, as they are entrusted with the noble task of defending our borders.

"Ladies and gentlemen from the press, I am now available for questions."

[Reporter] Who changed then—the Armed Forces or the politician from the Brazilian Democratic Movement [MDB] who fought the military regime's dictatorship? Mr. President, you resorted to two Armed Forces members—a general and a colonel from the reserve—to control the two strikes by civil servants and the Federal Police. What is more, the agencies that control the government's strategic information are in the hands of the military—the SAE [Strategic Affairs Secretariat], the SAF [Federal Administration Secretariat], and the Federal Police. Don't you think there is a risk that these appointments may leave the door open for a Fujimorization of the country?

[Franco] To begin with, the politician from the MDB has not changed. I would like to remind you that I was not just the founder of the MDB at a difficult time, I was also the eighth person to sign the PMDB's [Brazilian Democratic Movement Party] registration. I recall that when we established the MDB, the PMDB in Minas Gerais, there were just eight of us; the top leaders had defected to the then Popular Party, to Tancredo Neves of fond memory, and to Dr. Magalhaes Pinto. No, the politician from the PMDB has not changed. Neither has the politician Itamar Franco nor the citizen Itamar Franco for that matter. It so happened that I had to choose between civilian and military, but this is coincidental. I appointed a lady (Luiza Erundina) to head the SAF, a member of the PT [Workers' Party]. Curiously enough, nobody asked then why I appointed a PT member to head the SAF. Now all of a sudden, when I appoint—and this is mere coincidence—General Canhim as administrator because of his representativity and his dynamism, everybody starts questioning this appointment. I believe the time has come—and we PMDB people advocated this—to stop differentiating between civilians and military men, providing the civilians are as good as the military men, and the military men are as good as the civilians. Coincidentally, an Armed Forces member was chosen for the Federal Police, but, let us as mention in passing that this person has been in the Armed Forces Reserve for approximately eight years. Colonel Romao left the Armed Forces some eight years ago. Societies must be organized. We demanded this at the time of the MDB and we demand it now. But organized in what way, you may wonder. On the basis of the rule of law, and it was on that same basis that I told Col. Romao to head the Federal Police.

There will be no risk of Fujimorization under my administration—not through the president of the Republic. We in Brazil, unfortunately—and also fortunately—are aware that a few people are thinking of Fujimorzation, those who want authoritarian rule. They are anachronistic and mediocre people who obviously are not used to a democratic system and who forget that our country will enjoy full, guaranteed, social, and united development under a democratic system—but never under an authoritarian rule.

[Reporter] You have repeatedly said, Mr. President, that there will no price fixing or freeze. I would like to know what tools you will use to prevent profiteering from unscrupulous businessmen who raise prices every day. People are aware that the gentleman's agreement is not working. I can cite the example of pharmaceutical companies that are committing enormous abuses.

Mr. President, do you not think that in light of the current soaring cost of living it is necessary to implement a monthly salary adjustment comparable to the 100 percent inflation?

[Franco] I entrusted Finance and Economy Minister Fernando Henrique Cardoso with the task of conducting the economic policy. I have made a point of not discussing the economic policy that, let us say in passing, is ably conducted with patriotism and skill.

You cited the pharmaceutical industry as an example. I believe that neither the president of the Republic nor the finance minister are satisfied with the pharmaceutical industry. We currently are studying legislation. We already have taken some measures regarding the pharmaceutical industry, and I would like to refresh everyone's memory that I have been at loggerheads with the pharmaceutical industry since I assumed office as president of the Republic.

What does the government intend to do? It is studying the issue. The government is considering importing medicines from Cuba. We are in the final stages of negotiations to finalize the deal. This issue already has been studied by the finance minister and the foreign minister, and it currently is being considered by the civilian household chief. We will study the possibility of importing medicines. The finance minister and I will study the possibility of zero-rating imported medicines. We are following the situation, and I totally agree with you about profiteering and rising prices.

[Reporter] Inflation has been climbing and you have faced various internal crisis since you took power nine months ago. A case in point is the present conflict with the Federal Police. I would like to know if you are satisfied with your administration, and why?

[Franco] The president is not the only one affected by 30 percent inflation. We all must feel dissatisfied. Of course I am not satisfied with this inflation rate. But as I said before, the finance minister is imposing fiscal controls. The government will do its part. It will show entrepreneurs, workers, and the population in general that we are doing what we must. We expect inflation to drop.

About our internal crisis: What government does not have any? We face them democratically. We resolve all crises democratically.

I can say I am not satisfied, but I am conscious that I am doing my duty, particularly in this difficult hour of transition. I have mentioned how I found the situation when I took over. The state was torn down, broken, and human resources were being wasted. It is a victory to have maintained the state on the democratic path, calmly. It is particularly important to have maintained good relations with Congress.

[Reporter] The Internal Revenue Service found indications of irregularities in Justice Minister Mauricio Correa's tax report. The minister lost command of the Federal Police and was accused of being blackmailed by former Federal Police Director Amaury Galdino because he knew the minister received illegal contributions for his Senate campaign in 1986.

In the face of all this, I would like to know: Did you ask the Internal Revenue Service to conduct a new inquiry? The initial report finished in January and Minister Mauricio Correa continues to receive the president of the Republic's trust. Or has he been displaced from the government?

[Franco] First, the minister did not lose command of the Federal Police or control of his portfolio. I have not received any final report on Minister Mauricio Correa's problem with the Internal Revenue Service. When I receive it I will take the appropriate legal steps. A president cannot do more with what he knows. We cannot do anything else until a final report is issued. I will take the appropriate steps when the final report is received. Have no doubt about it.

[Reporter] Will he stay in office?

[Franco] If the minister continues in his position it is because he has the president of the Republic's trust.

[Reporter] You said that the justice minister did not lose control. But he has lost control in the eyes of the police superintendents, police station chiefs, and new Federal Police Director Wilson Romao. They already have said that they will not accept his decisions, that they will continue to perform their constitutional duties, issuing passports, supervising, and investigating.

I ask: How will you face this challenge to your authority? It was you who appointed Col. Romao. You have appointed two military men and I would like to know how military men differ from civilians?

[Franco] I will continue to respect the law. My answer to the first question is that society is organized by laws and this government will respect the law while running the country. We will never operate outside the law. Those who move outside the law will have to review their situation, like it or not, and no matter who they may be.

I do not know how military men differ from civilians. I sincerely do not know how to answer that question. When a military man is on active duty, of course, he is different from civilians. He is different in all aspects—from his years as trainee and throughout his military career. Civilians are educated differently. I believe military men and civilians have the same goals. Those who are patriots and sincere and those who want the country's well-being are always ready to serve the country well. In this respect, there is no difference between civilians and military men.

I feel it is time to stop differentiating between civilians and military men because it does not benefit the country and the separation is not real. We can only distinguish Brazilians who are patriots from those who are not, those who are sincere from those who are not, those who respect the law from those who do not respect the law or other people's rights, and those who pay taxes from those who evade them. I think the distinction lies more in the individual than in the fact of wearing a uniform or not.

Well, it was agreed that there would be no arguments, but as a courtesy to you I would say: What is the problem? Do I have to satisfy the institution when appointing a director? If that is the case we could see ourselves.... [pauses] I would not have the right to appoint the foreign minister because he would have to be chosen from among career officers, always. I would not be able appoint an ambassador unless he were a career diplomat. The Constitution authorizes me to appoint anyone and that is what I did when I appointed a retired Armed Forces officer to head the Federal Police. I will add that a military man on active duty is different from a civilian. But when he is in the reserve—I can tell you this with some authority because I was the one who sponsored the draft bill that was unanimously approved by the Senate and then by the Chamber of Deputies and then promulgated by the president at the time. This bill granted all reserve officers the right to exercise all civilian rights. All reserve officers have the same rights as any other citizen, even to become the president of the Republic. Their only duty is not to reveal state secrets, if they happened to have been involved in any. They have the right to express their opinions, through acts if necessary. This was part of the draft bill that I presented and that was later approved by Congress.

I have the right—more than anyone—to appoint a reserve officer to any position that can be directed according to the Constitution. I think the best example was my presentation of this project because until then reserve officers were arrested if they made public statements. This bill, which was promulgated by the then-president of the Republic, restored their right to speak and they have spoken. Have they been respected?

[Reporter] The inflation rate during your government is the highest since the Jose Sarney administration's last year in power, when it reached 84 percent. The question is this: What do you think of preestablishing prices as an instrument to fight inflation? Because the finance minister's immediate-action plan has not produced any result in fighting inflation even though it was launched three months ago. The inflation rate since that time has even increased.

[Franco] Well no. I will repeat what I said before. Our economic policy is conducted by Economy and Finance Minister Fernando Henrique Cardoso. The minister is not satisfied with the inflation rate. Not one single Brazilian is satisfied with the inflation rate—least of all me. The minister is doing his job, as I already have said, ably, calmly, and with a special love for his country. We will not have.... [pauses] the government does not want to pre determine prices and salaries.

Your question brings to mind that.... [pauses] and allow me to say this with all due respect for journalists, ladies and gentlemen, that the press sometimes invents things. In the past the press invented the carnival plan, the Haddad plan, the price preestablishment plan. It is very easy for a newspaper editor to place a headline reading preestablished prices, Haddad plan, carnival plan without thinking of the effect that the headline will have on the country's economic order the next day. Some of these editors work in cold offices with air conditioning and imagine those headlines, false and unnecessary headlines, when it is enough to ask—as you have just done—the question of whether we are going to have preestablished prices and salaries to the president of the Republic. The answer to your question is that we will not have preestablished prices and salaries. The press invents headlines, sometimes absurd headlines. Today they invented a headline saying I-do-not-know-what was put on my hair, glue or a sticker. It is incredible how the Brazilian press—I am not saying journalists who sometimes are not responsible for these things—publishes these types of things that frighten people who read newspapers.

The joke about the hair is a joke that does not affect the market and does not affect the economic order; it is all right. But the news about a Haddad plan, a carnival plan, or a price preestablishment plan that are spelled out with headlines as if they were real.... [pauses] and then we have something that regrettably we will have to live with for many years: the attribution of news to an unidentified adviser, a minister, always in the shadows, always hidden. When will the media create a code of ethics to treat he who is the president of the Republic and tell him: "Listen, this minister is not speaking well about you; he is not speaking well about the government." In this way we can dismiss the minister. But to say Minister X, Minister Y, Minister Z, adviser X, or some adviser means it is really necessary to make changes in... I am being repeatedly asked to change the economic order, the social order. We want to make changes, but we also want to make changes in the press. We are going to make it possible for the press to help the government, fight the government, show that the government is mistaken, but without inventing anything. I can tell you, and I apologize for taking so much time, that the government economic policy is Minister Fernando Henrique Cardoso's policy, the policy he is implementing from his ministry. The government will not change that policy until the minister understands that something must be changed.

[Reporter] History, the press, and the literary world have repeatedly discussed the question of loneliness in power. How does that affect you? You are alone at Alborada Palace, without a vice president. You were the vice president and now you do not have a companion to help you administer government problems from the presidency.

[Franco] We must make a distinction between loneliness in power and individual loneliness. I absolutely do not feel personal loneliness. Of course, I came to live at Alborada Palace because the press forces me to come here, does it not? It is all right. I do not feel lonely as a person. It might be something terrible, not for the country but for myself. I do not feel lonely because I have my own circle of friends and I intend to keep those friends for a long time. I know what power is. Now the loneliness in power is not such if we consider that power temporary. Whoever kids himself with court friendship is finished. Then he really will be saddened. I am conscious of what power is because I felt it before when I first came to the Senate, when I was still very young, and I noticed that (...) that former senators could not even enter the premises and they were stopped by simple employees at the door. I asked: What is this? I was confused. How could a citizen who was a former senator be barred from entering his former house to attend a Senate plenary meeting? No. He could not enter. I sponsored a bill permitting former senators to enter the Senate building and the Chamber of Deputies building. Citizens are considered valuable when they have power. The day they stop being deputies or senators. Let us not mention the presidency of the Republic. I do not know how many people congratulated me or spoke about my hair or my birthday. I am conscious of this power because I became mayor twice. I know what it feels like when your mandate ends. A Minas Gerais governor used to say that sometimes not even coffee is served to elected officials when the end is near, not even a cup of coffee.

Consequently, the loneliness of power appears when you have to make a decision. Decisions are not made by advisers or ministers. They are made exclusively by the president. I learned early in my philosophy classes that both conscience and power are aware of themselves. Sometimes I make my decisions with that conscience, with that power that is aware of itself. My decisions may not always be correct or right, but they are always made with love for the country.

[Reporter] In the debate on the salary issue, which is important for the economic policy, the government has at least four major adversaries: Lula's PT, Rio de Janeiro Governor Leonel Brizola's PDT [Democratic Labor Party], Sao Paulo Mayor Paulo Maluf's PPR [Progressive Reformist Party], and former President Jose Sarney. This means that the early beginning of the presidential campaign is harming your government. Can you neutralize the effects of the campaign?

[Franco] I believe that only former President Sarney can be considered on the list that you mentioned. He was kind enough to inform the president of the Republic—although he did not have to—that he would vote for the 100-percent salary adjustment. The position of the PT and the PDT is quite well known. The position of the PPR has become quite clear to all of us. I am not concerned about presidential candidacies. I believe that candidacies, if they do not disturb the government—and, actually, they are not disturbing it— the government already has set its targets and its course. As I said, we can change our course; we can be forced to change it. Presidential candidacies are under way—I did not coin this expression—and whoever wants to take risks, that's his own problem.

[Reporter] Some time ago you said during an informal conversation with reporters that no one can imagine the difficulties of he who sits in your chair. We know that despite the efforts of the government, of the credibility of Minister Fernando Henrique Cardoso, little progress could be made on the subject of inflation. I would like you to tell us objectively what it means to sit there; what are the difficulties a president of this country finds when he comes to this chair?

[Franco] You must allow me to disagree with you when you state that little has been done. A lot has been done. I just said this in my initial statements on the return of credibility. It is not true that Minister Fernando Henrique Cardoso has achieved very little. Not only his efforts, but results now may be observed. This country was living in a deep recession. What were we watching? The economic schools maintained that in order to curb inflation it was necessary to maintain a recession or unemployment. The country has had practically the same school of thought for 10 years until I placed a sociologist in the Finance Ministry. That was the case, absolutely. That is what we observed for years. We listened: It is necessary to have a recession and unemployment in order to curb inflation. We now are following a different path. We must curb inflation, and we will. Minister Fernando Henrique Cardoso is putting the house in order by making the appropriate cuts, showing a true budget that used to be false and not fit for really curbing inflation, as I said, and the government can do its part. We hope businessmen will not abusively increase their prices like in the case of the pharmaceutical industry that we mentioned.

The difficulties are still there, but this administration already can demonstrate that it has moved forward the economy, which is showing growth rates of 3.5 or 3.2 percent of the GDP [gross domestic product]. We reached agreements with the car industry; we are negotiating agreements with the naval industry. We are trying to demonstrate to the country that it is necessary to believe in its potential.

The other day when I received a foreign ambassador—I always tell this story—he spoke about the potential of Brazil, and when he spoke about our geographical location I asked him to pardon me, but our territory corresponds to 32 European countries. Therefore, you can sense what great difficulties we have.

But what else did I also hear? I have listened to the Chinese prime minister tell me in person, and then in a telex, that China believes that its most important trade partner for the 21st century is Brazil. We must have a stronger belief in our potential. I am sure that we will overcome this inflation problem, that it will be defeated the day the industrialists understand—and they will have to understand it either the good or bad way—that they cannot increase their prices abusively, and that Congress understands that what this country needs at this moment is political, economic, and social order. I do not know whether you will ask me about the social order, but the social order currently is terrible in the country.

Therefore, I must say that a lot has been done given the many difficulties we found.

[Reporter] Don't you think that the Chamber of Deputies has committed an act of demagoguery by approving the 100 percent wage advance bill, a bill that may be confirmed this afternoon, defeating the amendments made to it by the Senate? What do you intend to do if this happens? Will you veto the 100 percent wage advance?

[Franco] I will analyze it only when the bill arrives on my desk. We know that ours is a two-house system, to the point that the lower house approved a wage adjustment bill, which was modified by the Senate, and which now returns for final approval to the lower house. As soon as I learn the position of Congress regarding this bill, and as soon as the lower house approves it, I will study and analyze what I will do. It is very difficult to analyze a hypothesis in this case, because we have already gone through this situation. The Chamber of Deputies approves a bill, and then the Senate modifies it. I have been a senator for 16 years, and I have learned to respect the decisions of the national Congress. That is why the president of the Republic has the right to analyze, to approve, and to completely or partially veto a bill. The executive branch has its own analysis mechanisms. Therefore, when the definite bill arrives on my desk I will study it together with my aides to see what I will do. This is the democratic system in action, and it is important. That is why when people speak of fujimoralization (?) [question mark as published] we do not believe in it. We prefer to face the facts, like the wage advance bill which the lower house will send to my office tomorrow morning, and allow the executive branch to use the means it has available to improve the bill.

[Reporter] There already is concern and unrest among the population regarding the success of the economic program, which was well received by the people when it was launched. It is the economic policy of Minister Fernando Henrique Cardoso. Now what is your opinion? What do you think of the Fernando Henrique Cardoso plan?

[Franco] I did not know there was unrest about the plan. That is interesting. (I am only writing this down here in order not to forget it.) How many months have we been in the administration? Sometimes even the public may not realize this, because the media makes it seem that way. I was interim president for three months. Ethically, during that period, I could not do anything, because no one could predict the outcome to the crisis. The president was an interim president, who had to be there until Congress made a final decision.

I was installed on 29 December. Now we are in July. We must pay attention to this fact, to the fact that we received a destroyed administration, a paralyzed economy, a country in recession, a high unemployment rate, a hungry people, while I have exercised power for only a few months.

I have great hopes—and I told this to Minister Fernando Henrique—and I believe in the economic plan perhaps more than he does. I believe that Minister Fernando Henrique Cardoso will manage to stabilize the economy of this country, curb inflation, and maintain our economic growth—and above everything, an orderly growth. He is currently facing with courage—and of course with the support of the president of the Republic—this struggle against the fiscal deficit. Some sectors are suffering a certain pressure which is essential for our country.

Therefore, I continue believing in Minister Fernando Henrique Cardoso, and in his plan. We must take some time to allow the mechanisms of the economic order to move, and move appropriately, to implement the philosophy adopted by the government.

I would end by saying that I have founded my hopes in the plan of Minister Fernando Henrique Cardoso.

[Reporter] What agenda is the Brazilian Government going to take to the Third Ibero-American Summit, which opens tomorrow in Salvador [Bahia State]?

[Franco] We have common cultural ties with countries on both sides of the Atlantic Ocean. The summit's agenda is an agenda for development, based on a proposal from the UN secretary general. We want the Ibero-American community to take bolder steps toward integration and cooperation. With regard to development, which is the central issue on the agenda at Salvador, we hope to get to the bottom of social problems. We are well aware that many countries of the region not only have to deal with the same social problems confronting all of us, but are also engulfed in a situation characterized by total lack of human dignity. As for social problems, they are not a common phenomenon of our countries alone; these days they even affect First World countries. Hence, the agenda we are taking to Salvador includes a broad discussion of issues such as education, health care, problems encountered in privatization plans, industry, and trade, and above all we want to prove that the defense of democratic structures is of little avail unless we solve our peoples' social and economic problems—especially their social problems.

How on earth are we going to hold the social structure together? This is the reason why those minds that have fallen into a deep slumber, those mean minds I have already referred to, speak evil of democracy, because democracy must also give an answer to social inequalities; it must give an answer to economic and social differences.

We thus take to the Ibero-American Summit an agenda for development, and particularly social development.

[Reporter] I would like to know whether your government will grant preferential treatment to those states that have no pending debts with the federal government, such as Espirito Santo, Ceara, and Santa Catarina, concerning the appropriation of budget resources or the granting of credit on the part of government-owned institutions.

[Franco] It is not a preferential treatment. What we are seeking is that states settle their debts with the federal government. We are currently studying a debt rescheduling agreement for states and municipalities. Some government officials are of the opinion that this should be done on a case-by-case basis, state by state. I am going to discuss this issue with the finance minister to decide whether we should stick to a comprehensive plan or opt for the case-by-case approach so as to avoid injustice. It is absolutely necessary—and the government is going to take a firm stance on this issue—that states and municipalities reexamine the debt they contracted with the federal government. They may even prove that it is the federal government that owes money to them.

[Reporter] Mr. President, you said that you intended to share the reins of government with Congress, and that would remove those ministers who voted against government's projects. Now, the government has been defeated several times in Congress, as was the case in the vote on wage policy in the Chamber of Deputies. Does that mean that today's vote in the Chamber of Deputies will trigger off a new cabinet reshuffle? In other words, does your thesis about removing those who vote against the government still hold? I would also like to ask you how much longer you think the government can put up with allegations against the justice minister, and what the government's limit is in implementing more stringent economic measures. A 40-percent inflation rate? Would inflation still be manageable at that rate?

[Franco] We agreed upon one question, and now you are asking five or six. With your leave, I am going to drink a glass of water.

Well, it seems to me that what the reporter wanted to say is that the government was defeated in the Chamber of Deputies. I do not know that the government was defeated in the Chamber of Deputies. Allow me to digress, but the reporter broached the issue of wage policy. This government—and I repeat, this government—is a government that has struggled against letting salaries lag behind inflation. You may contend that civil servants earn very little, and I agree, they earn very little, but what little they get is more than the inflation rate, and is within the means of the government. The government—as I am in the driver's seat—had reached an agreement with Minister Barelli (Labor Minister Walter Barelli) and with the ministers in charge of economic matters on wage policy. We had decided that we would shun a salary squeeze policy. To the contrary—we granted a 100-percent wage hike. When the Finance Ministry considered that we could only grant a 66-percent increase, we also reckoned up our accounts, and came out with a percentage higher than 66. The government thus does not favor a salary squeeze. Nor does it consider that salaries fuel inflation. On the contrary, the government has given the civil service what it needs and deserves. Now it is also true that, as I said before, the government's administrative machinery is in a shambles. We are aware not only of the overall problem, but have also pinpointed specific ones. Much has been said about the Federal Police, but nobody has ever asked this question of me: Are Federal Police wages lagging behind inflation? Indeed they are. There are those who are, I would not say, receiving good pay, but are earning a decent wage, and those who are receiving poor wages and are also sacrificing. Why? Because that was the state of affairs we found.

Now let us discuss allegations against Minister Mauricio Correa. I have already commented here on one of the charges against him, which has not yet been brought up for my consideration. I will therefore make a decision on that as soon as I receive a report on those allegations. The justice minister continues in his post, and I repeat, continues to deserve my confidence. Should he one day betray my trust, I would have to summon him and—as was the case on previous occasions—tell him: "Look here, unfortunately there is no way we can continue working together." The justice minister, however, continues to deserve the confidence of the president of the Republic. Incidentally, I nominated the new Federal Police director with the justice minister's approval. Had I not sought his approval—only then—would it have been incumbent upon him to tender his resignation rather than my removing him. Do I make myself clear?

I cannot say whether the economic measures currently being implemented by Minister Fernando Henrique Cardoso will also be those implemented in the future, but we are not going to shun the measures taken by Minister Cardoso. Let me add, in parenthesis—permit me to say, though, that this is not the case—that nobody is going to make President Itamar Franco quarrel with Minister Fernando Henrique Cardoso. The press can give up trying to "scheme" against us, as this will be useless. I personally hold him in high esteem—we were colleagues in the Senate, Minister Cardoso knows the president of the Republic very well, and the president of the Republic on his part knows Minister Cardoso very well, too. I will therefore never avoid answering any question here. The economic policy is conducted by Minister Cardoso.

[Reporter] Federal Police superintendents guarantee that they are investigating some people in your administration like [Justice] Minister Mauricio Correa, [Federal Police Director] Colonel [Wilson] Romao, and some other assistants of yours. You were former President Fernando Collor's running mate and these superintendents were the same who investigated the charges against the former president that culminated in his impeachment. Are you afraid of the investigations by these superintendents?

[Franco] First, I am unaware of these investigations by the Federal Police. If they are being conducted, the president of the Republic is unaware of them. And, all of a sudden, I am even glad that they already have discovered that I was Fernando Collor's running mate because there was a time when I was not Fernando Collor's mate. If one asks: Then who is President Collor's vice president? One had to guess who President Collor's mate was. Sometimes even the journalists did not know who he was. The guy made it there without a single vote, forgetting a two-year tenure as mayor of my home town [Juiz de Fora] and two terms, which is not easy, as Minas Gerais senator. Therefore, this was unexpected. I am not afraid of any investigation. First, I want to say the following: I headed tickets the first time I ran for mayor, the second time I ran for senator, and once when I ran for Minas Gerais governor. I never conducted these campaigns financially—not even when I headed tickets. I never liked to get involved in campaign funds. During President Collor's campaign, I was not financially involved in it. In fact, there were funds for Minas Gerais State and other places. Nevertheless, not only were there funds for the winner, but also for the campaign. I am not aware, however, of the funds that were used in the campaign because I was not the campaign's treasurer. I lead an open life. The other day I was joking with [Foreign Minister] Jose Aparecido [de Oliveira] and I asked him what was he waiting for. I told him: Listen minister, you have come down (...) with a commitment with me alone. He stared at me aghast and said: "Look here, I want you to pay for my burial vault." Therefore, my life is exposed for anyone to investigate. I have a clean life. I have always achieved things in my life with great sacrifice, with great efforts. I am pleased to put my life at the disposal of those who want to investigate it. I actually was President Collor's mate. Had I also not been President Collor's mate, I would not be sitting here, democratically answering your questions. My life is at the disposal of those who want to investigate it. Obviously, there were campaign funds. Nevertheless, I never touched them because I was not campaign treasurer. I repeat that I headed tickets.

[Reporter] Constitutional reform will begin in October when the government will have a great chance to change some rules and regulations in order to favor some government projects like, for example, those proposals presented by the commission formed to study hospital problems. What are the principal changes the government will propose during that constitutional revision in order to guarantee the government's governability until the end of the term?

[Franco] Perfect. This is a very interesting question. The government intends to cooperate with the constitutional revision. However, my lady, please note that the form and the extent of this reform will depend on Congress, and not on the president of the Republic. Therefore, I repeat, the form and the extent will depend on Congress. The government intends to sectionally overcome, through its ministers, the problems that they may encounter, that they believe must be changed in the 1988 Constitution. Therefore, we will sectionally ask—through the justice minister, who will coordinate this action—the ministers to indicate their problems sectionally, what they would like changed in the Constitution. They—the ministers—will be the ones who will indicate the changes. After the changes are selected by the justice minister, they will be sent to the president of the Republic, who, with his special advisers for constitutional affairs, will carefully examine them and, if it is appropriate, send them to Congress as a demonstration of a spirit of cooperation. We will not interfere with the congressional revision, providing there is one, of course.

When we drew up the 1988 Constitution, we imagined that the revision would be made after 5 October. I voted bearing this point in mind. However, I am the president of the Republic now. Therefore, I repeat, Congress will decide on the form and the extent of the revision. After Congress decides—because it still has not decided on the revision's form and extent—you, my lady, will agree with me. There are still many discussions in Congress on the revision's form and extent. As soon as this issue is defined, we will begin to act sectionally, as I already have explained to you, and then universally.

[Reporter] Former President Fernando Collor admitted that it came to his attention—by reading the paper—that people were using their influence with the president to obtain personal favors. It may be implicitly understood that the dismantling of the SNI [National Intelligence Service] made Collor the victim of his own actions. Do you think, Mr. President, that the agencies working for the government keep the government and the president well informed or is it necessary to establish a more modern intelligence service capable of providing a more efficient information service to the president of the Republic?

[Franco] I think the president must be kept well informed. As you all know, we do not presently have a national information service. I believe, however, that the government should have an intelligence service not run by policemen. We are studying this at the government level with those in charge of providing information to the president so that he is not taken aback by certain actions or even by the appointment of a government official, because one of the shortcomings I had—if it can be considered a shortcoming at all—is that I have never had anybody's record examined whenever somebody was appointed by certain minister. Contrary to what many people believe, the president is not involved in the selection process for second- and third-echelon officials. It was established that the ministers of the respective areas would examine the records together with parties that support the government, and that they would make the appointments.

In making these appointments, I do not ask that the records of this or that be examined, but I think my experience here today in the government allows me to say the following: an intelligence service, yes, but not a police service, not a service that will imply meddling in the public life of anyone. Absolutely. It is a service for the president—and all democratic governments have those services that provide the president of the Republic with information, even information to correct some action, some process, or some situation within public administration.

I want to add this: If such a service is conceived by mere chance by the president of the Republic, and if approved by him, the first thing we will do is submit it for approval to the national Congress. It will not be implemented by any authoritarian measure. It will be up to the national Congress to improve that intelligence service, if it finds it appropriate.

[Reporter] Do you not think the Federal Police still owe the country not only for the escape of PC [Paulo Cesar] Farias, but also for the murderers of Chico Mendes who are still at large?

[Franco] The Federal Police have their constitutional obligations. The Federal Police have their obligations to fulfill. I already said here that the Federal Police need an internal reorganization, and not only in relation to salaries. It also needs to experience some changes. But the government cannot do everything at once. The government has its own difficulties. The Federal Police are after—and this no one can ignore—those who are wanted by the courts. If he has not been found so far, and if it is a police failure, so far I have not received any report from the justice minister telling me that the police did not find the wanted individual because of a police deficiency.

The justice minister has told me that the police action has been adequate so far.

[Reporter] You are going to Recife tomorrow to participate in the implementation of the program "Competitive Northeast," which includes projects for irrigated fruit plantations and mainly for tourism. Are you aware of what can be announced for the benefit of Pernambuco and the northeast as a whole in launching such a program?

[Franco] In addition to the tourism project, I also will have a chat with the workers, the governor, and with governors about the problems you know very well, the drought and hunger problems affecting the northeast today. I am not going to talk only about tourism. Obviously we are going to deal with the problem of tourism, which intends to create approximately 500,000 direct jobs in that region within a few years. Obviously it will not take place during my government but in the following governments. But we are also going to do it, and yesterday I received what we call the Agenda for the Northeast. As you might remember, the federal government handed over some 4.6 trillion cruzeiros to the northeast to reduce unemployment and, especially, the hunger affecting that region.

But we handed over that money with two conditions: first, that it be used in the productive labor front and that an agenda for the northeast be sent to the president of the Republic 60 days later, so that on examining that agenda I could verify what the mechanisms are that would be that I could adopt immediately and what the draft laws I could submit to the national Congress. And with what objective? Precisely with the objective of preventing the federal government from gradually and continuously beginning to supply resources to the northeast, resources that at times not even the federal government has.

What we need is an permanent plan for the northeast. And that agenda that was handed to me, and which was extended to the planning minister so he could make the appropriate observations and bring them to the president of the Republic, is what we are going to implement.

I have already received a request and I will study it today with the finance minister. What happened is that the money, the 4 trillion cruzeiros was received in May, June, and July and the drought continues. The drought may continue in states like Paraiba, Pernambuco, Ceara until January, February, or March of 1994. We have to study the request I received today, not just from the governors, but also from the agricultural workers leaders of the region who ask the government to study the possibility of doing more with those resources.

This is why this afternoon I will meet with Finance Minister Cardoso. Before the meeting in Recife, I plan to find out how the government could help the work sectors and I will make an announcement in Recife tomorrow.

We will announce a tourism program for the northeast which is very important because many people are interested in visiting the northeast. We know that region is a tourist attraction, but at the same time we have to look at the problem of hunger because the hunger map drawn by the Ipea [Applied Economic-Social Research Institute] shows that 32 million Brazilians live in absolute poverty. In the northeast, just in the northeast region, there are about 17 million Brazilians living in absolute misery.

Therefore, the government must have a very special program for the northeast, it will have a program, our government always had a program.

[Reporter] You are now on your fourth finance minister and your second agriculture minister, two of whom were dismissed or fired on suspicion of involvement in criminal acts. Your justice minister is now under fire. I ask you: Is it becoming more difficult to run the government than to run the country?

[Franco] Problems are normal, a president finds problems in the government all the time. I always say that wherever I step, I step on a mine and it explodes because this is the disorganization in which the country was found. The country is obviously suffering the consequences of a bankrupt state. I must tell you that the Brazilian state is bankrupt, it is completely disorganized. I hope I can hand over to the future president of the Republic in better conditions than I received it. We want to pave the way for the one who will replace me after the next elections.

Therefore, problems are difficult to solve in a country that as I said is far too big. Faith, hope, and humility are needed, and the president has them. I am sure that with the potential of the country we will overcome the problems and Brazil will become what we want it to be. It will reach achieve this if the people coordinate their work and efforts.

Before I conclude I would like to say the following: Later this month a document will be submitted to the president of the Federal Supreme Court. I will now read the document: "The president of the Republic, the executive board of the Senate and the executive board of the Chamber of Deputies, based on Article 103, Paragraph 4 of the Federal Constitution —the text of which was established by Constitutional Amendment No 3 of 1993—hereby submit a petition of constitutionality to have Complementary Law No. 70 of 30 December 1991, which establishes the contributions for social security, be declared constitutional, especially Articles 1, 2, 9, 10 and 13 of that law based on the following foundations, facts and rights." The document then mentions the foundations, facts and rights.

The request for the declaration of constitutionality has already been signed by all the executive board members of the Chamber of Deputies and of the Senate, and by the president of the Republic. Therefore, the request for declaration of constitutionality will be submitted late this month. As of tomorrow the document will be available to those who want to know the reasons behind the request to the Federal Supreme Court.

Another thing I would like to mention is that I will now sign the Complementary Law Project 116/93, which creates the IPMF, the Provisional Tax on Financial Operations on the transfer of property, credits, and rights of financial nature. I will veto a part of it and this will also be available for journalists to see. This project will be signed in a few minutes after I conclude my meeting with all of you.

I will also sign Draft Law 186/93 dealing with the salary policy for public, private, and military employees. I will also sign Draft Law 3/93 that opens a credit of 817 billion cruzeiros for the development and production of the national film industry. I will also sign the project that regulates the use of resources of the Social Development Fund, and Draft Law 128/93 which deals with the withdrawal of inactive accounts from the Severance Pay Fund. These are the projects that will be made law in a few minutes by the president. Thank you very much.

Franco Says Rich Countries Partly To Blame for Massacre

PY2707125493 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 27 Jul 93

[Excerpt] President Itamar Franco said crimes like the murder of street children in front of the Candelaria church are partly the result of industrialized countries' economic pressures that have contributed to the creation of social problems in poor countries.

This comment was made by President Franco during a meeting with 150 members of the Oppressed Theater group in Rio's Gloria Hotel. The group asked President Franco to take measures to fight violence against street children. [passage omitted]

Saudi Group Minority Shareholder in War Materiel Firm

PY2707142393 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 15 Jul 93 p 12

[Article by Marco Piquini]

[Text] The Overseas Finance and Management Corporation [title published in English], an investment enterprise based in Riyadh, Saudi Arabia, is the minority shareholder in Brasilinterpart [not further identified] in the purchase of Engesa [Specialized Engineers, Inc.], a manufacturer of war materiel, vehicles, and equipment, and which has been in trouble with creditors since 1990. Alexandre Thiollier Filho, Brasilinterpart's lawyer, stated that other national and foreign enterprises will be invited to participate. "But the majority of shares and control will remain in Brazilian hands," he stressed.

The strategy to revive Engesa has not been outlined yet, but it will be based on the war equipment that was so successful in the Middle East, and this could attract other partners from that region. "The name of Engesa is well known," Thiollier said. It is his belief that equipment such as the Osorio tank could serve as the engine for the enterprise's new takeoff. Civilian equipment, such as tractors and jeeps, also is being viewed with interest.

"Brasilinterpart is seeking partners that will purchase Engesa's production through an advance on the purchase value," Thiollier said. He also pointed out the possibility of sales through swaps (exchange of products for others). Ongoing talks currently involve international trading [preceding word published in English] with IPF [not further identified] of Liechtenstein.

Engesa's value has been set symbolically at 1 million cruzeiros in accordance with the contract signed 13 July in Sao Paulo by the enterprise's owners, Jose Luis and Jose Guilherme Whitacker, and Brasilinterpart. But the purchase depends on the audit that will be completed by 15 October. The caution is understandable. British Aerospace, a British manufacturer of airplanes and missiles, became interested in Engesa in 1990, but negotiations did not advance.

The contract states that Brasilinterpart can back out of the deal if Engesa's liabilities surpass $350 million. "We know that the liabilities are higher than that sum, but we will try and get the creditors to renegotiate," Thiollier said. Lawyer Jose Hiavnicka, Thiollier's partner, on 14 July travelled to New York to begin negotiations with the international creditors.

In addition to its debts to banks and suppliers, Engesa has not deducted Severance Pay Fund contributions from the salaries of its 1,300 employees since 1987, and the employees have not received their salaries since 1990. The labor liability is estimated at $40 million. For some 127 days now the workers have been camping out in front of the gates of Engesa's main plant in Sao Jose dos Campos, which is now semiparalyzed.

Chile

Bolivian President's Tirade Said Due to 'Internal' Situation

PY2407203593 Madrid EFE in Spanish 1602 GMT 24 Jul 93

[Text] Santiago, 24 Jul (EFE)—Chilean Foreign Under Secretary Rodrigo Diaz Albonico said today that Bolivian President Jaime Paz Zamora's attacks against Chile in the past few days could be the result of internal problems in the neighboring country.

On 22 July President Paz Zamora said Chile was an "indolent adversary" on the issue of the Bolivian aspiration to obtain an outlet to the Pacific Ocean. On 23 July Paz Zamora said Chile had a "retrograde and stone age position" in a surprising change in the rapprochement policy that he had maintained with the government in Santiago from the beginning of his mandate.

Diaz Albonico said that Paz Zamora's attitude is not justified, and can only be explained within the context of the Bolivian internal political situation, where a new government will be sworn in on 6 August.

On 23 July the Chilean under secretary returned to Santiago from Antofagasta, where he had been meeting with his Bolivian counterpart Armando Loayza seeking solutions to the contamination produced by the storage and export of Bolivian minerals through that port.

The Chilean Foreign Ministry ordered the suspension of the meeting and the immediate return to Santiago of Diaz Albonico and Oscar Fuentes, Chilean general consul to La Paz, in initial reactions to Paz Zamora's attacks.

Diaz Albonico reiterated that the Chilean Government expects "reason and not insults to prevail" in Bolivia, stressing that Chile has maintained relations with the neighboring country "doing things that will matter in the long term" for a growing integration process that will benefit the two countries.

The Chilean official said that when Paz Zamora's attacks were known in Antofagasta, his Bolivian counterpart apologized "because he considered that the climate of the meeting and the progress made during them were not in accordance with such expressions."

The attacks by the Bolivian ruler during the last few days of his mandate have surprised Chile, as Paz Zamora sponsored a policy of rapprochement during his government. This policy had intensified over the past year, and concluded with the recent signing of an economic coordination agreement between the two countries.

The two countries also signed bilateral agreements to fight drug trafficking, regulate air transport, and eliminate the visa requirement for citizens from either country to travel to the other country.

All these items were mentioned in a joint communique that the Bolivian and Chilean foreign ministers, Ronald MacLean and Enrique Silva Cimma, respectively, divulged on 19 July after a meeting in Salvador (Brazil) on the occasion of the Third Ibero-American Summit of heads of state and government.

The two countries interrupted their diplomatic relations in 1962. There was a brief respite between 1975 and 1978 following a Bolivian initiative, but Bolivian Governments have maintained the position of conditioning a resumption of diplomatic relations to the acceptance by Chile of negotiations to grant Bolivia a sea outlet.

Chile considers it has no pending border conflicts with Bolivia, because all previous differences had been ironed out in the 1902 treaty putting an end to the 1879 conflict, called the Pacific War, which resulted in Bolivia's loss of its sea coasts.

Foreign Minister Views Situation, Relations With Cuba

PY2607135293 Santiago Radio Cooperativa Network in Spanish 1100 GMT 26 Jul 93

[Passages in quotations marks are recorded comments by Foreign Minister Enrique Silva Cimma]

[Excerpt] Considering the blockade of Cuba and its tremendous impact on the population, the government is considering and evaluating the situation prevailing in Cuba and its humanitarian perspective. This was the answer given by Chilean Foreign Minister Enrique Silva Cimma when asked by this station on the current possibilities for a full normalization of relations between the two countries:

"One of the points we have been considering is that proposed by President Fidel Castro and his foreign minister. It refers to the tremendous impact of the blockade on Cuba, especially concerning foodstuffs, special food, and medicines for children and the sick."

The Chilean foreign minister granted an exclusive interview to this station on the eve of 26 July, the date commemorated by Cubans as the anniversary of the attack on the Moncada Barracks. He stressed the existence of commercial and consular relations.

He said: The coalition government has promised to establish relations with all countries with the sole exception of situations that could have an impact on internal policy:

"In the case of Cuba, as a result of the fact that Cuba has ostensibly refused to implement a democratic system in the country—but rather, with the existence of some degree of intervention or intervention attempts in the past, and more than intervention, of projecting its own system to other countries—we decided to establish only consular and commercial relations."

We feel that such ties are justified, the foreign minister added, because there are many Chileans residents in Cuba and trade is increasing:

"But for the time being we have not considered going beyond that."

However, he said it is rather bothersome that difficult and serious situations are emerging in that country as a result of the blockade. He also stressed Fidel Castro's demand in Salvador, Bahia.

"In that situation, he asked for the solidarity from Latin American nations, and obviously this is a point under consideration. To what extent can it provoke a change? I do not know. I think Chile naturally has the obligation to analyze that aspect of the problem, as it is also being considered by the other Rio Group member countries. And if some decision is made for a change in current relations, we surely will make it known to the people in due time. But such a decision could be made taking into account this type of situation that implies humanitarian rights to us."

Such humanitarian rights should lead us to consider the true effects of hunger and the defense of children and of the most vulnerable Cuban population, Silva Cimma said. He added that reforms implemented in Cuba are not sufficient to seek a real democratization process in the country:

"That is the bad part of it, that we have not seen definite changes. The Cubans have said that the electoral process has been implemented and that a congress was established, the members of which have been elected through a special system of voting by the people. But we have not seen changes in the sense of implementing a genuinely and authentically democratic system as in all other countries of the region. We feel that true democracy does not exist. And at the last summit Castro was asked to implement democracy in the country."

The foreign minister concluded by saying: One point that made an impact was the call for continental solidarity made by Fidel Castro at the Bahia Summit. [passage omitted]

Bolivian Official Calls for Recovery of Climate of Harmony

PY2607200893 Madrid EFE in Spanish 1657 GMT 26 Jul 93

[Excerpts] Santiago, 25 Jul (EFE)—A local newspaper reported today, 26 July, that Armando Loayza, the Bolivian Foreign Ministry under secretary, has urged the Bolivian and Chilean Foreign Ministries to continue their efforts to recover the climate of harmony and ease the restrictions on their bilateral relations.

In exclusive remarks from La Paz to the Chilean daily EL MERCURIO, Loayza admits that relations between the two countries "are in crisis" and urged both sides to avoid "the dynamics of confrontation." [passage omitted]

Loayza told the Santiago newspaper that the two countries must use their foreign policies to avoid "irreparable" damage to the positive level that had been achieved.

The Bolivian under secretary urged his Chilean counterpart Rodrigo Diaz Albonico "to preserve the climate in which we have worked" because what has been achieved over the past four years "is incredible."

"The problem must be overcome. There are so many things we have built... We have achieved a number of successes. This will prevail over issues that are inevitable among nations...," he said.

Loayza and Diaz Albonico were in the Chilean city of Antofagasta to discuss the storage and transport of Bolivian minerals when Paz Zamora made his remarks.

Chile decided to suspend that meeting and recalled Oscar Fuentes, the consul general in La Paz.

"We could be entering the dynamics of crisis should Bolivia also recall its consul general.... [pauses] it would be a very agreeable gesture if Fuentes were to return to his functions in La Paz very soon," Loayza said. [passage omitted]

Political Campaign Trends, Changes Analyzed

PY2407221093 Santiago EL MERCURIO in Spanish 16 Jul 93 pp A1, A15

[All quotation marks as published]

[Text] A total of 472 candidates for congressional seats have registered with the Electoral Service for the elections of 11 December 1993. The registration period closed at 2400 on 14 July, one minute after registration of the single center-rightist ticket.

The opposition pact, the pact by two tickets of leftist parties without representatives in Congress (the PC-MAPU [Communist Party-United Popular Action Movement], and the pact between the Green Humanist Alliance and the Environmentalist Movement), coupled with last-minute changes in the government coalition, have produced a political picture that has been analyzed from various angles by those who will participate in the campaign.

While center-rightist sectors are optimistic, government coalition sources have said that they have lowered their expectations.

After the end of the registration period for pacts and candidates, a total of 29 deputies will not be able to run again, because they were not included on the tickets. Three other deputies who did register might face legal problems if they run in the December elections.

The center-rightist sector made a positive evaluation of the pact. National Renewal [RN] candidate Manuel Feliu said it would be possible to forge an alliance representing 40 percent of voters, adding that this was a real alternative for government.

UDI [Independent Democratic Union] leaders were also optimistic that the pact could be arranged, despite difficulties.

UCC [Centrist Centrist Union] leader Francisco Javier Errazuriz said he was very happy that a pact had been arranged without excluding any organization of the sector.

For their part, government coalition politicians—after making an internal analysis—said that the pact within the rightist sector, and the registration of two tickets of leftist parties without representatives in Congress, might affect their electoral chances. They had previously expected to win 80 to 82 congressional seats. Their expectations now range from 72 to 75.

Center-Rightist Sector

Within National Renewal, Senator Sergio Onofre Jarpa yesterday said the opposition pact "sought unity, and RN has made concessions in areas where it had real chances of winning because of its electoral support."

He said that unity was the key goal, adding that "I wish the country to be the winner."

As to whether the UCC had defeated RN, Jarpa replied: "I don't know who is defeating whom. This is an agreement, and it must be respected."

RN Vice President Alberto Espina said that after many months of negotiations the rightist sector should go through a refounding process.

He added that it is necessary to reformulate the relations between the main parties: RN and UDI. He did not mention the UCC because, in his opinion, the UCC should be consolidated and show that it could maintain a party structure.

Concerning party structures, he said that the oldest rightist party is five years old. The Christian Democratic Party [PDC] and the Socialist Party [PS], however, have years of party experience, and their members abide by the decisions of party organs, which operate on the basis of institutional decisions rather than personal advantages.

UDI President Jovino Nova voiced his satisfaction and optimism in that this time the centrist-rightist sector will sponsor a single ticket, as opposed to what happened in 1989, when there were five.

He added that despite the "show" by opposition parties, the positive factor is that newspapers in the end reported on a single center-leftist ticket.

UCC leader and candidate to Senator Francisco Javier Errazuriz said he is personally very happy with the result of the negotiations, because a pact was made gathering all center-rightist parties.

"The rainbow is now on our side," Errazuriz said.

Government Coalition

After the registration of the single opposition ticket, a government coalition leader yesterday said that the electoral situation had become "a bit more complex." Expectations of winning 80 to 82 seats in the Chamber of Deputies have now dropped to 72 to 75 out of a total of 120 seats.

It was noted that tickets for the Communist Party, MAPU, and the Independents (Democratic Leftist Alternative) are also making things more complicated for the government coalition, because this could take votes away from PS and from PPD [Coalition of Parties for Democracy] candidates in districts in which the PPD could win.

The government coalition analyzed the matter yesterday morning. It was pointed out that situation is now opposite to that of the 1989 election, when there was a majority for the congressional ticket, but not for the presidential candidate.

Political sources have said that a strategy will be designed to take care of this situation. The strategy will seek to more clearly link the candidates for Congress and the presidential candidate; will make a concrete proposal for youths—calling upon them to register with electoral registries; and will focus the campaign on regional issues, especially the provision of infrastructure.

The strategy will also emphasize the electoral campaign in the weaker sector of the opposition: UCC voters.

PDC Vice President

PDC Vice President Felipe Sandoval was asked about the consequences, for the government coalition, of the fact that the rightist sector is sponsoring a single ticket for Congress—contrary to what happened in 1989. Sandoval replied that the votes for the UCC, RN, and UDI could be expected to reach a significant level in December. However, he went on, "there are contradictions between UDI, RN, and the UCC, and those contradictions will surface during the campaign, because there are matters, such as the constitutional reform, on which the UCC position remains unknown. Voters will have to make a decision in the face of that."

He added: "It is not sure that UCC voters will vote for rightist candidates, just as it is not sure that RN and UDI voters will vote for the UCC."

He noted that the style in the creation of the center-rightist ticket reveals the relationship between those groups, which is a relationship of power. This situation can affect them, and could modify the percentage of votes that those parties will obtain."

As for the leftist ticket of parties without representatives in Congress, which is also different from the one sponsored in 1989, it suggests that support for the government coalition could automatically drop, as these parties could get approximately 5 percent of the votes. "That is why the coalition will have to make an effort to convince those sectors, and also UCC voters," he added.

As for the possibility that center-rightist and leftist tickets could modify the estimated approximate number of 80 deputies the government coalition expects to designate in December, Sandoval explained that if the votes of those alliances were added up, it could be predicted that the coalition might not designate 80 deputies, but added that "we think the internal contradictions of those groups could make the government coalition surpass even those mathematical calculations."

PR [Radical Party] Vice President

On the same subject, PR Vice President Patricio Tombolini said that "the fact that there is a single center-rightest ticket has created a different electoral picture."

He said this will mean that some districts with strong voter support will now become weaker. However, what mathematically appears as weakness may also entail factors of strength."

MAPU Withdraws From Government Coalition, Rejects Frei

PY2407005193 Santiago EL MERCURIO in Spanish 28 Jun 93 p C3

[Text] The MAPU [United Popular Action Movement] has abandoned the Coalition of Parties for Democracy and has accused the Christian Democracy [DC] of applying a hegemonic, overbearing, sectarian, and exclusive policy. It says that the government coalition has ended.

The MAPU executive board, which made this decision, said it will be announced officially on 2 July before the council of party presidents of the coalition.

MAPU leader Dario Roman said that ethical principles have been violated and he holds the DC responsible for seeking an understanding with the National Renewal Party as seen through the tax reform and the attempt to impose an amnesty law for human rights violations.

He said that during the past six months the DC "has trampled on ethical values and that is why the MAPU considers the coalition as over."

He said that the coalition has lost the pluralist characteristic it had at the beginning "and it is currently only an alliance between the DC and the Socialist Party, with the Socialist Party playing second fiddle to the DC."

He said that the political future of the MAPU is in seeking an understanding with the Green Humanist Alliance and with the Communist Party.

Dario Roman announced that the MAPU has withdrawn its support for presidential candidate Eduardo Frei and that Ricardo Lagos has no chance.

New Export Strategy To Study Chinese Market

PY2407035293 Santiago ESTRATEGIA in Spanish 1 Jul 93 p 15

[Text] The PRC market will be the first to be tested by the new strategy for promoting exports. The strategy is named "market intelligence" and was drawn up by Pro-Chile with a group of private businessmen.

Maria Isabel Allende-Salazar, the Pro-Chile coordinator in charge of carrying out this initiative, reported that the main idea of this new way of approaching the markets is to determine the market demands and, based on that, prepare a list of goods made in our country that can meet those market demands.

This work entails knowing the network of distribution, channels of promotion and publicity, nontariff barriers and trade restrictions in addition to demands and tastes of consumers, among other things, to obtain business deals for Chilean exporters by getting as close to consumers as possible.

The coordinator explained that according to the first studies the products with a high potential for entering the Chinese market are food, services (software and telecommunications), and semifinished wood products. She added that by September Pro-Chile expects to have a list of products that could be exported to China based on the new strategy.

Maria Isabel Allende-Salazar pointed out that great changes are taking place in China. These changes are taking China toward the market economy and toward Western business practices. This fact has awakened the great interest of international business. The same interest is also shown in Chile.

The Pro-Chile Market Intelligence Unit will study the "Chinese open economic zones," which include cities that were liberated from the centralized economic system and which are ruled by the principles of the market economy.

She pointed out that Pro-Chile, along with the National Science and Technology Secretariat, will carry out a survey of Chilean products for export in the medium term, which will serve to complement the "maket intelligence" strategy.

Other regions where Pro-Chile and the businessmen could eventually implement the "market intelligence" are Eastern Europe, the countries that make up the former USSR, and the Arabian peninsula.

Investment Protection Agreement Sought With Bolivia

PY2407122793 Santiago EL MERCURIO in Spanish 28 Jun 93 p C5

[Excerpts] The governments of Chile and Bolivia agreed to begin negotiations as soon as possible to establish and sign a reciprocal protection agreement for investments. [passage omitted]

The absence of such an important agreement is apparently one of the negative results of not having diplomatic relations between the two countries.

Communique

The joint text released yesterday afternoon by the two foreign ministries states:

"On the occasion of the first meeting of the joint Chilean-Bolivian technical group to study and analyze possible definite solutions to the problem of stocking Bolivian minerals in Chilean ports, Chilean Foreign Under Secretary Rodrigo Diaz Albonico and Bolivian Political and Economic Affairs Under Secretary Armando Loayza Mariaca analyzed the development of bilateral relations as well as several regional issues.

"On that occasion they exchanged criteria and points of view about the following subjects, among others: economic complementation and free transit of people.

"As a result of this evaluation, the two under secretaries agreed to recommend to their governments the need to establish a permanent consultation mechanism to deal with bilateral and multilateral issues of mutual interest.

"The members of the mentioned mechanism must meet periodically at least once a year. It will be presided by over the foreign under secretaries appointed for this task," the note concludes.

European Group, Chile Sign Scientific Cooperation Agreement

PY2407124393 Santiago EL MERCURIO in Spanish 30 Jun 93 p C9

[Text] The Foreign Ministry reported that a supplementary and amendatory agreement to the 1963 agreement was signed between the Chilean Government and European Southern Observation (ESO). Under the agreement, Chile will be allotted observation time for its researchers for the first time.

This agreement was the result of negotiations by delegations from Chile and the ESO on the installation of the largest telescope in the world, "The Very Large Telescope" [preceding name published in English] (VLT/VLTI), on Paranal hill in the Second Region, in Antofagasta.

Another objective of the negotiations was to foster cooperation ties between the ESO and Chile, which will benefit the latter and the eight ESO member countries.

According to an official communique issued by Chile's Foreign Ministry, the agreement includes the following points:

—Construction and installation of the VLT. The Chilean Government reiterates its unconditional support for the development of the VLT/VLTI project on Paranal hill, which will entail an investment of 570 million Deutsche marks, equivalent to $330 million.

—Scientific aspects: In the course of negotiations, the Chilean delegation brought up the need to allow the Chilean scientific community a fixed percentage of observation time at all ESO facilities. It was agreed that 10 percent of ESO's available observation time will be allocated for researchers who are members of Chilean institutions on the basis of meritorious projects. They will be able to use each and every telescope that has been installed or will be installed in "La Silla" and "Paranal" with the exception of the VLT and VLTI (Giant Telescope).

—Likewise, researchers who are members of Chilean institutions will be entitled to 5 percent of the VLT and VLTI observation time. This percentage will be gradually attained from the moment the first telescope goes into operation in five years' time (it is scheduled for 1998). This percentage may be increased to 8 percent if there are enough high-quality proposals by Chile that merit consideration.

—Cooperation between Chile and the ESO: The ESO will continue contributing to the development of astronomy in Chile by means of training programs and financial aid channeled through a joint Chilean-ESO committee.

The agreement also provides that the Chilean Government will increasingly appropriate financial resources for teaching and research activities in the field of astronomy and related disciplines and technologies, with a view to strengthening the efficient use of astronomy facilities in Chile by Chilean researchers.

The communique states that the agreement will provide a sound basis for scientific and technological cooperation between European countries that are members of ESO and Chile.

The agreement will be submitted to the Chilean Congress and the ESO Council for ratification.

Germany, Belgium, France, The Netherlands, and Sweden signed an agreement in Paris on 5 October 1962 establishing the ESO. Denmark joined the ESO in 1965 and Switzerland and Italy followed suit in 1982.

Chile and the ESO signed an agreement on 6 November 1963 whereby our country facilitated matters for ESO to build and operate an astronomy observatory (La Silla) in Chilean territory.

According to the communique, on 11 November 1991, the Chilean Government saw fit to file a request before the ESO for the amendment of the 1963 agreement in view of the construction of the Paranal Hill observatory and to include some important aspects for Chile, especially in the domain of science and technology.

The first round of negotiations were held in Santiago on 18-19 April 1992 with the participation of the ESO director general, council members, and a group of advisers and representatives from Chile's Foreign, Education, and Labor Ministries, the General Secretariat for the Presidency, and legal and scientific advisers.

The communique further states that delegations from the Chilean Government and ESO met again for a new round of negotiations at Chile's Foreign Ministry last 18-19 June, and they agreed upon the text of the supplementary and amendatory agreement to the 1963 agreement.

Army Communique Denies Friction With Government

PY2407120993 Santiago Television Nacional de Chile Imagen Internacional in Spanish 0100 GMT 24 Jul 93

[Text] Through an official communique, the Army denied frictions with the government, emphasizing that it is cooperating with the authorities.

The Army High Command met today at the Military Council, the highest military body, which is made up of the group of generals.

The generals arrived punctually at the Armed Forces building to begin their meetings at 1000.

Considering the deliberative nature of the Military Council, and the significance relations between the government and the Army have had since 28 May, these meetings—which will end in one week—have top importance.

The trials for human rights violations affecting some officers are undoubtedly among the subjects being carefully analyzed.

General Augusto Pinochet ordered an earlier summons of the Military Council, which initially was scheduled for 26 July.

In a brief conversation between reporters and Gen. Pinochet in the corridor, the Army commander said this meeting is being held for the sole purpose of making progress in work. He also reported that the generals will meet with President Aylwin on 26 July.

In the afternoon, the Army issued an official communique that was particularly conciliatory. The communique denied frictions with the government, explaining that the institution is part of the state and that all its efforts are aimed at cooperating with the implementation of government tasks and objectives.

However, the communique noted that different institutions of the Republic may hold different views, but efforts are always made to harmonize them.

Colombia

Foreign Minister Reaffirms Sovereignty Over San Andres

PA2507173393 Santa Fe de Bogota EL TIEMPO in Spanish 21 Jul 93 p 3a

[Report by Bibiana Mercado and Eduardo Lunazzi]

[Excerpt] San Andres Archipelago—Amid the spectacular blue waters surrounding the San Andres and Providencia Archipelagoes, the islands' residents celebrated Colombia's independence day on 20 July with Foreign Minister Nohemi Sanin.

Sanin, who presided over the independence day ceremonies, sang the national anthem with San Andres residents and watched students march as school bands played Caribbean music.

The people of San Andres expressed their joy at being part of Colombia. They demanded more of a government presence, not merely in the form of visits, action. They confirmed their adherence and pledged their loyalty to their homeland.

Before the parade began on 20 July Street, Sanin ratified the country's position expressed at the Third Summit of Ibero-American Heads of State and Government that ended in Salvador (Brazil) this past weekend.

"San Andres is not negotiable. To those who have hinted that Colombian borders do not extend to these blue waters, I will only say one thing: Your unfounded positions, which only seek to create bitterness and division among brotherly peoples, will never succeed. Your attempts to break our national unity will never succeed."

Sanin said there is nothing to discuss about Colombia's sovereignty over the archipelago because the people of San Andres carry out sovereign actions every day. She added that today, more than ever, they consider themselves Colombians.

She stressed, however, that she is determined to fight for titles and rights over the islands at the International Court of Justice if necessary, should Nicaragua demand her presence at that high tribunal.

Sanin traveled to Providencia to reaffirm Colombia's sovereignty over that island. She was welcomed by Mayor Ladislao Robinson Livingston, who assured her of the formal relations that have always existed between the islands and the mainland, and stressed that the people who live there consider themselves Colombians. [passage omitted]

Government Signs 7-Point Border Agreement With Panama

PA2607033393 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0130 GMT 26 Jul 93

[Report by Juan Carlos Lopez in Jurado, Choco Department]

[Text] Colombia and Panama agreed on joint actions against drug traffickers, guerrillas, and gun runners on their common border. The Colombian defense minister and Panama's government and justice minister announced that these actions will be implemented immediately.

There are seven points in the agreement signed by Colombian Defense Minister Rafael Pardo Rueda and Panamanian Government and Justice Minister Juan Bautista Chevalier. Both toured the border area for two days to analyze area problems. Gun trafficking for guerrillas, undocumented aliens, contraband, ravaging of the Darien Province ecosystem, and drug trafficking are the points that will be dealt with through effective actions.

[Begin Pardo recording] We have common interests to develop. Both countries are interested in a safe border and that it not serve as a sanctuary for criminals. [end recording]

The agreement guarantees coordination between both countries' public forces for the appropriate handling of the border, which shows a high degree of insecurity.

[Begin Chevalier recording] We will be taking action against all cases, such as ravaging of the jungle, bandits, undocumented aliens, gun running, and drug trafficking. [end recording]

Area intelligence experts will meet in three weeks to coordinate the agreement's initial actions. Thus, two days conclude in which Colombian and Panamanian authorities met to agree on how to improve the border situation.

Defense Minister on Border Issues

PA2407170593 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 22 Jul 93

[Interview with Defense Minister Rafael Pardo Rueda by Luis Enrique Rodriguez in Puerto Carreno and announcer Dario Arizmendi—live]

[Text] [Rodriguez] Good morning. We are in Puerto Carreno, where we will interview Defense Minister Rafael Pardo on the subject of border security. On 21 July, for example, there was a specific incident at the border with Brazil and Venezuela. Many Brazilian gold prospectors are crossing the border and sacking Colombian resources. Because Colombians do not have the necessary tools or techniques to exploit this mineral, the Brazilians, who are better equipped and have better techniques, are taking away the gold. We will interview

Defense Minister Pardo on this and other topics. Minister Pardo, can you tell us the status of security at the border?

[Pardo] Good morning. The tour has been very interesting. We have been able to see directly the problems affecting these isolated areas and have the basis to plan for adequate public forces here. Border problems vary and evolve very quickly. We must continually review the public force presence to adapt to the changing situation at the border.

[Arizmendi] Regarding this, Mr. Defense Minister, are there enough public forces in Colombia's border areas with Venezuela and Brazil?

[Pardo] We have seen that public force units, particularly the police and the Navy, are doing their job quite well. We are planning with the armed forces general command a reinforcement all along the eastern border because of the quick changes that are taking place. The reporter just mentioned an example: new gold prospecting implies a new activity for the public forces, for immigration authorities, and for border authorities. Obviously one needs to adapt to the changes taking place in the area.

[Arizmendi] How do these public force members live? Are they well supplied? Do they live decently and properly?

[Pardo] Above all, Dario, one needs to be sincere. Some of their facilities are now adequate. Isolation has a great bearing on the adequate delivery of supplies. Other facilities and units are quite adequate. In general, the morale of the personnel remains high and they are doing a fine job.

[Arizmendi] Mr. Minister, is your tour with Foreign Minister Nohemi Sanin Posada, of a routine nature or is it in response to the latest statements by Nicaragua regarding the San Andres and Providencia archipelagoes? Does it represent a change in government attitude and policy with regard to border areas?

[Pardo] This program was worked out with the Foreign Ministry to systematically visit the border areas, not because of specific problems or because a certain situation has deteriorated but as part of a regular and systematic program intended to review the border situation in person. This is what we have done in the Amazons, the Caribbean, and on the eastern border. This weekend I will review the border with Panama. This is part of a general program we have with the Foreign Ministry to review the border situation periodically and systematically.

[Arizmendi] We are speaking with Defense Minister Rafael Pardo Rueda, who is in Puerto Carreno, through Caracol Network's terrestrial satellite station. Newspaper reports, citing statements by certain military officers, Mr. Minister, say that top Army of National Liberation [ELN] leader Manuel Perez may be in Venezuela. What is the basis for these reports?

[Pardo] I learned of this from the newspapers on 21 July. We have no inside military information to confirm this story. That report quotes military sources, but we do not have verifiable and reliable sources to indicate that the information is correct.

[Arizmendi] Does the national government place the full blame for the murder of Spanish priest Javier Cirujano Arjona on the National Guerrilla Coordinating Board [CNG] or does it consider this an isolated incident by Francisco Caraballo's Popular Liberation Army dissident group, which insists on upsetting the peace?

[Pardo] The responsibility for this atrocious murder, which has moved Colombia and the world, falls on some individuals who belong to a group that politically calls itself the CNG. We cannot accept that when it is time to make political statements the CNG is one unit but when crimes are committed they are done by individuals.

[Rodriguez] Mr. Minister, may we assume that the Defense Ministry has prepared special security plans in San Andres to defend it from Nicaragua's claims, which may at any time cease being mere statements and political rhetoric?

[Pardo] We do not expect to go any further than to firmly assert Colombian sovereignty over these territories.

[Arizmendi] Lastly, Mr. Minister, one year after Pablo Escobar escaped from La Catedral jail, how do you feel as one of the persons responsible for the military operation?

[Pardo] Dario, I believe we had, after that date, all necessary opportunities to explain to the public and Congress the definite responsibility of the various institutions and persons involved. Investigations of this subject are in the hands of the proper authorities, so I do not believe that it is up to me to again explain who was responsible.

[Arizmendi] Going back to the border topic, how do the Colombian people living in what Dr. Nohemi Sanin has called the third country, alluding to an expression used by Arturo Uslar Pietri, view the Army, police, and the public forces?

[Pardo] Dario, it is very important to emphasize to your listeners that relations between the public forces of neighboring countries—Colombia and Venezuela, Colombia and Brazil—are optimum. We coordinate continuously, we have a very well established relationship, and problems that can be solved with a simple telephone call are solved in this manner. This police and military coordination is really a guarantee to protect the rights of border area residents.

[Unidentified announcer] Defense Minister Dr. Rafael Pardo, we thank you very much for this interview and wish you success with the rest of the border tour and the national government's quest to inspect and verify the situation of Colombians who live in those areas. Thank you.

Government Announces New Counterinsurgency Plan

PA2407024193 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 23 Jul 93

[Text] The government will expand its war strategies against subversive activities. The Superior Council of National Security and Defense has put a program together that offers many guarantees for rebels who decide to desert from their units and collaborate with the authorities. According to official statistics, 140 guerrillas have surrendered this year alone. Lets see what the new program is about.

First, if the guerrilla is a minor, his/her legal situation will be analyzed. If he/she has charges pending, the case will be referred to a juvenile court and Family Welfare will provide boarding. If the minor has no pending cases, he/she will be sent home and will be eligible for training at the National Training Center.

Second, if the rebel is of legal age and has a pending case with the law, the Prosecutor General's Office will study the case. The concept of political crimes will be observed, except kidnapping. If the deserter is found to have minor problems, he/she will be eligible for the National Rehabilitation Plan [PNR]. The PNR has 6.7 billion pesos for rehabilitation programs for the deserters.

Third, when a group of 50 or more surrenders, the government is ready to present a draft bill for approval that would grant them a general pardon.

[Begin Peace Adviser Ricardo Santamaria recording] This would only be for political crimes, provided there is an ongoing peace process with the government and, of course, they surrender voluntarily and turn in their weapons. [end recording]

When a deserter fears for his/her life the government will provide protection. The government seeks to dismember the guerrilla forces through this program, by using the divisions that exist within these subversive groups.

Japanese Envoy Supports Colombian Economic Policy

PA2407212593 Santa Fe de Bogota EL TIEMPO in Spanish 20 Jul 93 p 11-B

[Text] Japanese Ambassador Terusuke Terada, general director of Latin American and Caribbean affairs, during a visit with President Cesar Gaviria Trujillo expressed Japan's full support for the Colombian Government economic policy and the struggle it is waging against drug trafficking and guerrillas.

Terada said his country respects the effort Colombia has been making in the area economic reform with a view to establishing an open economy based on its lengthy democratic tradition. He added that Japan is "profoundly impressed" with the determination displayed by the Colombian Government and general public in the struggle against such problems as terrorism, drug trafficking, and subversion. "These efforts are a very important element in the development of Japanese-Colombian relations and they are regarded highly by the Japanese Government," Terada said.

During a news conference, the Japanese ambassador said that the new air that one breathes in Colombia in the economic sphere is good news for Japanese investors who are interested in continuing to strengthen commercial ties between the two nations. Terada also announced that in September the Pacific Basin Committee will carry out its first activity. This committee is made up of members of the public and private sectors and their main goal is to develop the existing relationship between Japan and Latin America.

Terada said that thus far, these relations have been solely economic and that it is important that they be broadened to include cultural, academic, and educational exchanges. Nevertheless, he warned that the committee's activities will be limited for the time being to Chile, given the broad commercial relations that exist between the two countries. "However, as of next year we would like to initiate activities that are deserving of the named committee, with the participation of other South American countries. We also hope for Colombia's participation," he said.

Regarding the role Colombia plays within the new context of the Pacific, Terada said that this country has not yet discovered the importance of the extensive coast it has in this region. "The time has come for Colombia to exploit the Pacific Basin, but it must not look only to Japan; behind us are China, South Korea, and other Asian countries. I am increasingly optimistic about this Latin American reality," he said.

Minister on Possible Peace Talks With Rebels

PA2407034093 Santa Fe de Bogota EL NUEVO SIGLO in Spanish 19 Jul 93 pp 1, 7a

[Excerpt] "The government is willing to hold a dialogue with the guerrillas if the guerrillas have the will to do so," Government Minister Fabio Villegas told Update on Colombia [Colombia Al Dia] newscast, which is rebroadcast from the United States to the Cadena Radial Super in Santa Fe de Bogota.

"We are not willing to sit at a negotiation table with the guerrillas to make this dialogue an instrument to strengthen guerrilla activity in the country. We are also not willing to give the country new frustrations with a dialogue and negotiations that, in the end, only detract legitimacy from a true alternative," Villegas asserted.

In an interview of sorts, the top-ranking official emphasized that he was convinced we would be able to end violence and terrorism in Colombia. This time, however, he admitted that the guerrilla is indeed able to strike important blows [against the government].

"During 1993, the government has managed to neutralize more than 2,000 guerrillas; some have surrendered their weapons, others have been arrested, and yet others have been killed. I do not deny the existing threat. I do not deny that we still have the problem and that the guerrilla is able to strike important blows, but—based on what we have achieved—I am convinced that we can attain security and peace," Villegas noted. The minister said that, for this reason, the government will only negotiate with groups that have a will for peace, as is the case of the Socialist Renewal group.

Villegas also referred to Pablo Escobar's possible surrender. He estimated that our legal institutions and the public force will be able to recapture Escobar. "Our justice organizations, the public force, and the community are able to bring Pablo Escobar and those who were members of his terrorist organization, to trial. In the end, they will have to pay for all the harm they have caused to the international community and all the woes they have brought to the Colombian people."

He emphasized that the terrorist organizations have to confront justice and that it is impossible to mediate with terrorists. Thus, he said, it is unimportant if Escobar and his group are arrested or surrender because there is a surrender policy open to the criminals who want to accept it. [passage omitted]

Intelligence Reports Reveal Weakened Strength of Escobar

PA2407023693 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0130 GMT 21 Jul 93

[Report by Luz Maria Montoya]

[Text] Pablo Escobar no longer has a military apparatus as strong as before and his only alternative seems to be surrendering to authorities, according to the latest intelligence reports learned by the "TV Today" newscast. If in fact Escobar reorganized his people anticipating an escape, the fact of the matter is that on 20 July, one year after his escape, there are big differences that make him appear weak.

One year ago, these were Escobar's most important men in the now dismantled military wing of the Medellin Cartel. Brance Munoz Mosquera, alias Tyson; Mario Alberto Castano, alias El Chopo; (Achiachi); and alias Enchufe were killed by the Search Group. Carlos Alzate Urquijo, alias Arete; Dario Cardozo, alias El Comanche; alias El Pajaro; [as heard] Gustavo Gutierrez, alias Maxwell; and alias La Modelo are all in prison. Pasarela has disappeared and Jorge "El Coco" Avendano left the city.

Nowadays, security organizations have not detected in the organization individuals with the capacity and experience of the aforementioned individuals. Evidence of this is that rewards are only offered for information leading to the arrest of Escobar and Alfonso Puerta Munoz, alias El Angelito, who has always been a member of Escobar's security staff.

Of these paid assassins who no longer have a leader, today many are dead and others are in prison. Meanwhile, others such as aliases Serapio and Risas are on the run. They reportedly worked for alias Enchufe and are connected to terrorist attacks in Santa Fe de Bogota and Barrancabermeja. Others, such as alias Temblor and John Perez, escaped from the Prisons of San Quintin and Bella Vista. It was believed they would reactivate the feared gang of paid assassins La Ramada de Bello. However, this has not occurred.

The dismantling of the military wing of the Medellin Cartel, coupled with the surrender, disappearance, and escape of those who administered Escobar's drug-trafficking routes and finances, such as alias (Nerix), Jose Posada Fierro, aliases Pasarela and Manix lead authorities to believe that the only alternative for Escobar is to surrender. This is coupled with the inconveniences imposed on his family, which are known to all, and the murders of his attorneys.

Meanwhile, it is presumed that Escobar is still in Antioquia, surrounded by a small group of security personnel and aided by his millions, his experience to hide, and his knowledge of the area.

Ecuador

OAS Ambassador on Embargo, Other Issues

PA2607180793 Quito Voz de los Andes in Spanish 1200 GMT 26 Jul 93

[Telephone interview with Blasco Penaherrera, Ecuadoran ambassador to the OAS, in Washington; by Marco Antonio Bravo in Quito—live]

[Text] [Bravo] Good morning, Ambassador Blasco Penaherrera. We welcome you to the our 0700 newscast. What time is it there?

[Penaherrera] Good morning, how are you? The temperature is low, but it is rather sunny. It is 0816 right now. I am at your service.

[Bravo] I first want to congratulate you for reaching an agreement among the OAS, the Ecuadoran Government, and Ciespal [International Center for Advanced Journalism for Latin America] that will allow journalists to become more fully aware of the problems of Latin America. What are the chief aspects of this agreement?

[Penaherrera] I can hear you clearly now. The agreement merely recognizes something that makes Ecuadorans and Ecuadoran journalists, in particular, justifiably proud. Ciespal has a deservedly prestigious reputation as a major training center and an organization that is honestly and properly handled. The OAS merely recognizes that fact. At the same time, the OAS is taking advantage of the existence of Ciespal to project the image of the OAS as an institution in this very important field. The agreement includes holding seminars for Latin American and Caribbean journalists in general and specific topics.

The seminars will deal with subjects related to the betterment of professionals, use of the most advanced technologies in different media, and the analysis of the problems that afflict or interest our hemisphere. For that reason, a series of very important seminars will be held next year.

[Bravo] We have nine minutes and over 10 questions to ask you. I ask you to lower the volume of your radio so the signal can be heard more clearly. Why has the OAS not pressured the EC to end the embargo on bananas that became effective 1 July?

[Penaherrera] Unfortunately, the Caribbean countries involved in this problem belong to the OAS. That means the small Caribbean countries for which the EC established those measures. Therefore, we have differing views that cannot be settled by a vote because of the institution's regulations.

[Bravo] Getting into another topic, can you give us your views on the trip President Sixto Duran-Ballen may make to Lima to continue high-level negotiations to resolve the dispute between the two countries?

[Penaherrera] If the trip does take place, as you said, to continue negotiations, that is, to make gradual progress until reaching a goal of common interest to the two countries, I think it would be beneficial because Peruvian President Alberto Fujimori has visited our country on two occasions, and the Ecuadoran president has not visited Peru. What I mean to say is that it has to be a carefully thought-out decision due to its importance.

[Bravo] How did the Ecuadoran community in the United States react to the surprising decision by the Peruvian Congress, which reiterated that there is no dispute between the two countries?

[Penahererera] We received it as the, say, usual stance by the Peruvian Government and Congress. The terms used this time were much more refrained than in the past, much less categorical than in the past, and hinted at the possibility of an agreement in the future.

[Bravo] Edgar Teran, Ecuadoran ambassador to the United States, announced a few days ago that the U.S. Government confirmed a preferential tariff agreement exists for our products. Is this policy in force, and what are its major points?

[Penaherrera] I am not familiar with the specific details of the agreement, although I know about it in general terms. I know it is in force. The basic thing about it is that a very wide range of products are to be free of tariffs or taxes. Some of those products are already being exported. It will offer the potential of a new market for other products.

[Bravo] What image do international creditors have of Ecuador, as there is no final agreement on the renegotiation of the foreign debt? Has the departure of Minister Rivadeneira had an adverse effect on the negotiations, or none at all?

[Penaherrera] As for the first question, the creditors see Ecuador as a country that is in arrears. In addition, the country did not act very responsibly by avoiding the payment of millions of dollars for four or five years. As for Rivadeneira's departure, something that I personally regret, we have to consider that his replacement is a professional and very serious man, who under the leadership of the president, will continue the renegotiation strategy until logical solutions are reached, which have to be the ones Ecuador needs. By that I mean, we must reconquer the financial market.

[Bravo] A few days ago, the Ecuadoran media charged that the absence of ambassadors in Paris and Germany harms relations with those countries. Do you agree?

[Penaherrera] Not having a diplomatic envoy in such important countries, most of all Germany, most of all Germany let me stress....[pauses] France has been given a great deal of advantages. It has done big businesses with Ecuador, but traditionally has not met our demands and needs. Germany, on the other hand, has provided major support.

[Bravo] Doctor, perhaps this question should be asked of the U.S. authorities, however, due to your involvement in this sector, you might be able to give us an idea. Why do you believe the U.S. Government has not appointed a titular ambassador to Ecuador in over a year?

[Penaherrera] Because administrative procedures in the United States are just as or even more bothersome as in Ecuador. In this case, the Senate must approve or confirm appointments made by the president. There is a long list of diplomats all over the world waiting their turn at the Senate because there are approximately 180 or more embassies. With the change of government there has been a total or almost total renewal of the diplomatic corps. The ambassador to Argentina was confirmed very recently, and many others are waiting their turn. Our turn will come soon.

[Bravo] Doctor, no firm decision has been made regarding the Ecuadoran Electric Power Enterprise [Emelec] case. Do you believe this indecisiveness will hinder a decision regarding an ambassador?

[Penaherrera] I do not believe that is the reason in this specific case. The [words indistinct] may be a factor that will seriously affect our economic and political relations with the United States of America because the impression that Ecuador has given with its actions in the regrettable Emelec case is that of a country that lacks seriousness, a country of tricksters, and a country whose leaders are capable of disregarding an arbitrator's decision that they themselves established and whose scope, importance and [words indistinct] they configured.

As I said in Ecuador when I was a simple citizen, and I repeat now without any hesitation, this is an issue that must be thought-out in a rational and serious manner because it could prove to be a very serious issue for our country.

[Reporter] Doctor, how is Dr. Borja's [former president Rodrigo Borja] candidacy for the OAS secretary generalship being managed?

[Penaherrera] I would say we have begun promoting it in an adequate manner. The secretary general of the Foreign Ministry and Ambassador Jaime Marchan are currently beginning a tour of several very important Caribbean countries. I am aware, through press reports and information from the Foreign Ministry, that Dr. Borja is also touring South America countries and the Southern Cone. After this first stage, we will know if Borja has any real possibility of a chance at the candidacy.

[Reporter] Has a meeting been planned between yourself, Dr. Borja, and the men who are managing his candidacy?

[Penaherrera] I had the pleasure of meeting with Borja in early April, taking advantage of a trip to deal with family affairs. Since then I have not had an opportunity to meet with him. However, it is my duty—and I say so openly and categorically—to contribute as positively as I am humanly and politically capable of, to the promotion of this candidacy, which is the country's candidacy, not the government's.

[Reporter] What are Borja's real possibilities after Costa Rican Foreign Minister Niehaus has virtually said that he already has a seat in the OAS?

[Penaherrera] I believe Niehaus' remarks are precisely those of a candidate who needs to reassure himself because he feels relatively weak. Things have not gone as he imagined or as his country, his respectable country, desired. Dr. Borja still has possibilities but, of course, they remain at the level where they have always been. In other words, ours are the prospects of a country that has a regrettable handicap: our already having had an Ecuadoran secretary general. Regardless of how brilliant a secretary he was, we already had a secretary general and there are 35, perhaps not 35, but 32 countries that have not yet had a secretary. There is a group of Central American and Caribbean nations that are viewing this issue from a very national viewpoint.

[Reporter] Dr. Penaherrera, I must thank you for this telephone interview. May God bless you. I have been told that you are well informed and will keep Voz de los Andes abreast of any information that may emerge.

[Penaherrera] That is so, Bravo. I send you fond greetings and thank you for this interview. Greetings to your distinguished listeners in Ecuador and especially throughout the world. To them I express affectionate solidarity in all affairs.

[Reporter] Good day, Dr. Penaherrera and good day, kind listeners.

Paraguay

President Favors Dialogue Between Military, Opposition

PY2407211193 Asuncion HOY in Spanish 24 Jul 93 p 6

[Report by special correspondents Nestor Insaurralde, Atilio Fernandez, and Jose Duarte from Tobati]

[Text] General Rodriguez, who at the beginning of this year had been against the proposal of the opposition to resume civilian-military talks, yesterday came out in favor of a dialogue between the military and the Authentic Radical Liberal Party [PLRA] bloc in the Chamber of Deputies to seek agreements on military issues.

"I will never oppose their talking with the military to explain their intentions, and also to learn the intentions of the military," the president said, after making it clear on 22 July that he was adamant on the subject of the military keeping their party membership and on the need for a commander of military forces.

At that time, upon being asked what would happen if Congress decided to eliminate the post of commander of military forces and make it necessary for officers to cancel their party memberships, the chief of state suggestively said "you had better answer that yourselves." When he was asked to explain his answer yesterday, he answered in much softer terms.

"Let me tell you something. Nothing, absolutely nothing has been proposed to deal with this law that has been promulgated, and is now being reassessed, so one cannot make mistakes or utter contradictions in talking about this law. I believe, however, that congressmen and members of the Armed Forces have chosen the most prudent approach in holding a dialogue and seeking the most appropriate solution to this law, which some want to repeal and others want to amend," Rodriguez stated.

He added: "I am sure that this dialogue between congressmen and the military will yield a compromise which will satisfy both parties." In response to PLRA charges, the president reiterated "that it is not true that we want to take away the president's powers as commander in chief."

He added: "Had our intentions been bad, things would have gone differently on 2 February. We opened the doors to freedom and welcomed everyone. We gave equal opportunities to all political parties. You know that we even allowed the remains of Dr. Eusebio Ayala [fomer Liberal Party president] to be repatriated."

Asked whether another position could be created instead of the commander of military forces, Rodriguez answered: "Nothing definite has come out of the talks so far. Once the talks conclude, I will know whether there is another option."

Rodriguez was also asked whether he had requested a share of power from President-elect Juan Carlos Wasmosy. He answered: "I am not asking for a share of power. All I want is to leave satisfied that I have done my duty."

AWACS Alleged To Detect Clandestine Airstrips

PY2207204293 Asuncion HOY in Spanish 22 Jul 93 p 4

[Text] Even though the U.S. military mission in Paraguay is shrouded in secrecy, it is believed the AWACS plane is to be used to detect the hundreds of clandestine airstrips used by traffickers for peddling illegal drugs.

It is worth mentioning that, in the eyes of the United States, Paraguay is considered as a bridge country, a transit country for the great cartels that operate in South America.

A reliable report states that there are 400 landing strips in the Chaco alone. They are built in strategic places and are used by light aircraft that transport marijuana and cocaine. It must be recalled that many such aircraft loaded with drugs have come down in the Chaco, and in some cases their crews were captured.

The report adds that these landing strips are sometimes used by Paraguayans, but they are mainly used by foreigners. Having become internationalized, the situation has got virtually out of the control of the national authorities. A sparsely populated region like the Chaco facilitates the traffickers' activities.

Paraguay lacks the necessary equipment to detect aircraft in flight because the radar at the main international airport does not work as it should. Paraguayan military sources indicated that U.S. cooperation would seemingly be justified in this area.

Unofficial sources have estimated that there are 2,000 airports in forests and at ranches, most of which are not registered at the National Airports Directorate.

The surge in the number of clandestine landing strips has come to the attention of Paraguayan authorities. The presence of U.S. troops in the country will help to detect uncontrolled aerial navigation.

President Speaks in Favor of AWACS Mission

PY2407183193 Asuncion ABC COLOR in Spanish 24 Jul 93 p 10

[Article by "special correspondents" in Eusebio Ayala]

[Text] The Paraguayan president yesterday spoke in favor of the AWACS planes that arrived at Silvio Petirossi Airport on 21 July. President Rodriguez said the arrival of these planes should not be viewed as interference in Paraguayan internal affairs. "We must prove that we are innocent and that our country is not, like many people believe, a pirate ship or a bridge country," Rodriguez emphasized. The president dedicated several projects in La Cordillera Department.

Rodriguez added: "We must allow these people (the North Americans) who have means to see the way things are here." He stated that "Latin America as a whole is being surveyed" by these planes, not just Paraguay.

He remarked that the planes will be flying 24 hours per day to maintain surveillance of Paraguayan air space and that of other countries as well. To accomplish this an airplane capable of refueling the AWACS in flight has been brought in as well. Rodriguez explained that in a single north-to-south flight, the AWACS plane will see everything happening on Paraguayan territory. "We allowed them to come because we are not drug traffickers, nor are we involved in these things," the president said.

Two planes arrived at Silvio Petirossi Airport on 21 July; one of them carries radar equipment and is capable of detecting all airborne activities over Paraguayan territory, especially those related to drug trafficking. The radar plan is a Boeing 707 (military version) that is constantly overflying Paraguayan territory and is being resupplied in flight by another plane that is also U.S. made.

It has been explained that the airplanes are mainly overflying border areas and covering Brazilian and Bolivian territory as well. It has been pointed out that all movement from the so-called illegal airstrips is being controlled as well.

The planes have a crew of 30 who use sophisticated equipment and computers to keep track of all air operations and will prepare a final report on the work they are doing. It has been reported that the planes will remain in Paraguay for several weeks. The date on which they will return to the United States has not been disclosed.

The Paraguayan Senate authorized the entry of these planes at the request of the U.S. Government channeled through the local U.S. Embassy. President Andres Rodriguez; U.S. Ambassador Jon Glassman; Brigadier General Marcial Samaniego Ocariz, the executive secretary of the National Antidrug Secretariat; Division General Jose Cespedes Zarza, the Air Force commander; and other military officers were present when the planes arrived.

Official Criticizes Argentine Protectionist Trade Measures

PY2607160993 Asuncion ABC COLOR in Spanish 23 Jul 93 p 13

[Text] Industry Vice Minister Ruben Fadlala stated: "We are worried about the new protectionist measures implemented by the Argentine Government that must be added to the existing statistics rate that, as is well known, has been reduced to 3 percent on only 60 products."

The Argentine Government will only allow the importation of 20 percent of the domestic demand for certain kinds of paper and textile products to prevent these industries from raising their prices.

Fadlala said these are new restrictions that are being disguised as import quotas. He regretted the fact that this position was justified by President Carlos Menem himself and Economy Minister Domingo Cavallo.

"Through these measures they are seeking to reduce their trade deficit and continue generating full employment domestically. However, once again they are contravening not only the spirit but also the text of the Mercosur [Common Market of the South] Treaty," Fadlala added.

He said that this frequent position by Paraguayan "trade partners" is remarkable because it is not in keeping with what they say in their speeches. He added that we are in a similar situation regarding the statistics rate imposition.

"On the one hand, Argentina always voices the advantages of integration, the need to form a single market, etc. etc., but on the other hand we end up with measures that really harm our country," Fadlala said.

When told that the measures also contradict what was ratified during the last Mercosur summit that took place in Asuncion, when the presidents promised to continue with Mercosur plans, Fadlala said Paraguay will demand an explanation about the subject during a meeting of the Subgroup 10 of Macroeconomic Policy taking place in Rio de Janeiro.

When asked about the petition to increase the amount of products to be exempted from the statistics rate, Fadlala said this subject will be discussed during the next meeting that will take place in Buenos Aires on 4 August.

According to an AP report datelined 20 July in Buenos Aires, Argentine President Carlos Menem and Economy Minister Domingo Cavallo justified the recent protectionist measures, which are contrary to the economic opening applied by the Argentine Government.

In statements to Radio America, Menem said: "The partial restrictions on paper and textile imports are due to the fact that we do not want to be in a situation similar to that in other countries of the world, especially the central countries [not further specified], where the unemployment rate is 20 percent."

Minister Cavallo said during an interview published in the magazine NOTICIAS that the quotas "are foreseen within the international trade system; it is a form of safeguarding domestic production in the face of excessive imports."

Gen Oviedo Will 'Never' Use Weapons Against Democracy

PY2407012693 Asuncion ABC COLOR in Spanish 20 Jul 93 p 3

[Text] Division General Lino Cesar Oviedo, commander of the 1st Army Corps, said yesterday that he would never help abolish democracy in the country, and that he would not use either tanks or weapons against democracy. "I used the weapons against the dictatorship," he said, at the same time congratulating in ironic terms congressmen who currently "speak loudly," but who never raised their voices during the dictatorship.

Oviedo labeled as challenging [desafientes] the words uttered by National Encounter Deputy Luis Alberto Mauro, who said last week that if the military cannot respect the national Constitution and stop participating in political activities, they should bring their tanks to Congress and end the democratic process once and for all.

"I will never use weapons to go against the decisions made by the legitimately constituted authorities, nor will I disrespect the Constitution. I will not help impose any kind of government system through weapons—only through votes, not through weapons," he said.

Asked about the statements made by some congressmen, who want him to retire because of his political activities during the last elections, he said that as a Paraguayan it was the same whether he did his duty within or outside the Army. "That does not worry or scare me. My judge is my conscience, and I know what I did. Besides, I know which institution it is that must decide whether or not I must retire. Those who do not know that, well, it's too bad they don't know," he said, regarding the congressmen who want to make him retire.

"They will not scare me or my comrades, and the only thing they will obtain with their attacks is the greater unity of the Armed Forces," he added.

Asked if there was a possibility of conflict between Congress and the Armed Forces if the military organizational law is repealed, he said: "I do not think so. If the new draft bill contradicts the Constitution, it is our right to question it, and the subject will be decided by the judicial branch."

As for the possibility of making members of the military resign from their political parties—another objective of the opposition congressmen—Oviedo said that everyone has a right to defend himself, and stressed that no one can impose their political convictions on someone. "Let us conquer the conscience of man, but not through decree," he said.

Military Chief Vows To Keep Officers Out of Politics

PY2307192193 Asuncion HOY in Spanish 21 Jul 93 p 7

[Text] Division General Mario Rodolfo Escobar Anzoategui, chief of the Armed Forces General Staff, has stated that the Armed Forces will not going to back any officer who, violating an express constitutional prohibition, engages in political activities.

Gen. Escobar stated his position at the end of a meeting held by senior officers with congressmen to discuss the Armed Forces Organizational Law. He added that the Constitution must be observed so that in no way will support be lent to any of their comrades who violate constitutional provisions.

Some reporters reminded Escobar that commitments by military officers to respect the law have been disproved, citing the interference by some officers in the Colorado Party primaries.

Escobar said that each individual should be held responsible for his actions regarding observance of the rules and noted that those who choose to ignore the Constitution should be punished in accordance with the law. He added: "At this meeting we promised to urge all military personnel to comply with the Constitution so as to dispel the fears of politicians to this effect. As military officers, it is our duty to prevent any officer from tarnishing the military institution by engaging in political activities."

He stated that they will not justify the misconduct of any officers who should be punished accordingly.

Elaborating on his position, Escobar said that just as they would not back a thief, they would not back the involvement of military officers in political activities forbidden by the Constitution.

Army Commander Defends Party Membership as 'Right'

PY2607210293 Asuncion NOTICIAS in Spanish 25 Jul 93 pp 4-5

[Interview with Army Commander General Pedro Concepcion Ocampos by unidentified reporters at the Mariscal Francisco Solano Lopez Military School in Capita on 24 July, following ceremony marking Army Day]

[Text] [Reporter] General, is an agreement on the Armed Forces Organizational Law conceivable?

[Ocampos] Common objectives must be sought. I hope so, because we are aware that this law will benefit the Armed Forces because it will expedite communications with the government, especially with the president of the nation, through the commander of military forces.

[Reporter] Are the military and the congressmen considering the possibility of "negotiating" the position of commander of military forces and the party membership of Armed Forces personnel?

[Ocampos] So far I have received no proposals for any kind of negotiation. I do not believe that a negotiated agreement could be reached.

[Reporter] Opposition congressmen have been saying that if the military agree to give up their party membership, the position of commander of military forces could be preserved.

[Ocampos] I cannot answer that question, because I am a member of the Armed Forces.

[Reporter] Would you agree to give up your Colorado Party membership?

[Ocampos] No, I would not agree to it, because I have been a member of the Colorado Party for many years without violating the Constitution or the laws.

[Reporter] The Constitution, however, states that active duty military men cannot join political parties.

[Ocampos] I believe that it is unnatural to deprive the individual of his political opinions and ideals.

[Reporter] Will you claim that laws cannot be applied retroactively?

[Ocampos] That would be going too far. I do not believe that the issue should be pushed to the point of hurting feelings.

[Reporter] Is the refusal to give up party membership your personal position, or is it shared by all?

[Ocampos] It is a personal position, but I understand that we all feel this way.

[Reporter] Should the requirement to give up party membership go through, will you fight it in court on the grounds that it is unconstitutional?

[Ocampos] If it violates our jurisdiction we will. I do not believe that it will go that far; there is no reason to get upset. A happy outcome is possible through dialogue.

[Reporter] General, it has been proposed that in the future, military promotions will be tied to giving up party membership.

[Ocampos] Those who are party members should be allowed to retain their membership; it should have nothing to do with promotions. It is an acquired right.

[Reporter] This is not negotiable?

[Ocampos] I believe that it is not negotiable.

Rodriguez: Next Government To Have Armed Forces 'Guarantee'

PY2607170893 Asuncion ABC COLOR in Spanish 25 Jul 93 p 3

[Excerpt] President Andres Rodriguez, also Armed Forces commander, yesterday said the new government will govern the country with security because it will have "the guarantee of an Armed Forces of disciplined, respectful, and obedient soldiers who will respond to all his orders to comply with the law and the national

Constitution." The president made this statement during an Army Day ceremony at Mariscal Francisco Solano Lopez Military School.

The chief of state urged the officers who participated in the closing ceremony of Army Week activities to respect and obey the new Armed Forces commander who will be installed on 15 August. He also said the president elected in the 9 May elections will assume all the powers granted to him by the national Constitution as "supreme commander in chief of the Armed Forces."

Rodriguez took the opportunity to once again bid farewell to his soldiers and express his gratitude for the obedience they demonstrated during his mandate as commander in chief. [passage omitted]

Chamber of Deputies President Interviewed

PY2407135293 Asuncion NOTICIAS in Spanish 11 Jul 93 pp 4, 5

[Interview with Chamber of Deputies President Francisco Jose de Vargas by Marilut Lluis O'Hara; place and date not given]

[Text] [O'Hara] What is the spirit in the new Chamber of Deputies presided over by Francisco Jose de Vargas?

[De Vargas] We feel we can cogovern with the Executive Branch. We are going to exercise that responsibility and try to guide the Republic on a path better than the ones we have known so far. We have a great responsibility because we are the first congress elected in absolute freedom because we have reservations about total democracy.

Our great responsibility is to show the people that the representative democratic system of government works, that it is efficient to face the very grave problems facing the nation, particularly the unemployment problem, which is very serious, suffocating, and destroys, particularly our youth who need work and cannot find a job.

We must show that the democratic system can solve these problems because the alternative if we fail is a new dictatorship, and we cannot afford that.

[O'Hara] You said this Congress will govern with the Executive Branch. But there is fear for the country's governability and about constant confrontations between the Executive and Legislative Branches. Is there a spirit of confrontation in Congress?

[De Vargas] No. Absolutely not. We, those of us who preside over the two chambers of Congress at this time, come from a party that had to operate from hiding until 3 February 1989. We were citizens without rights. I voted for the first in my life when I was 45, in 1989. Many of our fellow party members were not lucky enough to enjoy this era of freedoms. They fell by the wayside. Many more went into exile and many others were tortured and imprisoned for many years.

It would be destiny's irony and a very great contradiction if we fought this battle to achieve freedom and democracy only to take over the first positions of responsibility to destabilize the country or make it ungovernable. This is a stage we have yearned for for a long time.

We fought for freedom and democracy very hard, and we are going to be their staunchest defenders. We are going to represent the best alternative for governability because what we want least is to return to the black hours of dictatorship. The lack of governability might become an excuse for reactionary forces—which are not even dormant; they are only quiet. They might say that politicians do not understand what they want and they must rule again in the Republic. We are not going to take that risk.

[O'Hara] But didn't the human rights movement lose an important fighter with your election as Chamber of Deputies president. Isn't your position that of a mere debate administrator?

[De Vargas] An administrator of conflicts as well. It took me a long time to make up my mind about it. If you look at the history of my political activity you must conclude that the best place for a man like me, where a man like me can move like a fish in water, is the Congressional Investigating Committee for Illegal Activities, which would have been a much more important showcase than the Chamber of Deputies' presidency.

But I was one of those who sponsored the Investigating Committee and one of those who worked on that committee. I learned something there. I learned you have to rise to the decisionmaking level to be able to allocate the necessary resources to those who want to work hard. That is why I decided to become a candidate for this chamber's presidency.

The Chamber of Deputies' president administers resources as the director of a state department, besides organizing debates. I decided to try it for a year and see if it was possible to support my fellow legislators who are going to work on that committee doing the work I was doing in the last Congress. Perhaps they will do a better job. The difference will be that we are going to support them from the Chamber of Deputies presidency. We will support them in everything necessary to perform their task with comfort and efficiency. That is the reason why I accepted. I also want to transform the Legislative Branch into what it must be, a true state power with the political will to supervise the other branches. We are the legitimate representatives of the people and we should behave accordingly.

The transition Congress that ended its mandate on 30 June did not fully become a true state power. I thing that through the presidency of both chambers we can help Congress become what the Constitution wants it to be.

[O'Hara] Do you think a year is enough to create that spirit in Congress?

[De Vargas] I do not know. But I can tell you that the Chamber of Deputies president is not going to be reelected, not because there are pacts or previous arrangements but because I never favored reelections, not even on the Human Rights Committee.

[O'Hara] Not even if the reelection is convenient?

[De Vargas] No. Not even when it is convenient. Change in government is the essence of the republican concept. When you seek your reelection in a representative organization, to an extent you are attacking the very concept of republic that we know.

I never favored the reelection to any elective position, and I will much less accept it at the level of a congressional organization. Not only that, I am not an appropriate person to exercise presidencies. I learned that a long time ago.

Seriously, I am a man who likes to serve in the political arena. That is my job. That is my role and I know my limitations, particularly my own character, which I must control sometimes.

New National Police Law Goes Into Effect

PY2407131793 Asuncion ULTIMA HORA in Spanish 10 Jul 93 p 64

[Text] With the signature of the corresponding decree, Law No. 222 went into effect last night. This law organizes, specifies the duties, and determines the purpose of the National Police, which will be under the authority of a "commander."

With jurisdiction in the entire Republic and as a member of the public force, the National Police is a professional institution with a hierarchical structure, and a nondeliberating and obedient body that must adjust the exercise of its functions to the constitutional and legal norms, and it will base its action on respect for human rights.

This law, which was approved by the last Congress, has been questioned and has been the target of many protests.

The former organizational law had to be repealed by imposition of the new Constitution, while this new one establishes that the National Police must be organized based on the Capital Police, and it will absorb the personnel from the Government Delegate's Office and the Migrations Directorate.

The law specifies that this integration includes the budget allocations, personnel, property and goods, livestock, weapons, vehicles, equipment, and other goods that now will belong to the National Police, except for the current government delegate offices with their installations and furniture, which from now on will fully belong, for free, to the departmental governments.

One of the questions by Congress regarding this new law was about its hierarchical structure. The National Police will report to the Interior Ministry, an eminently political ministry that is regarded as a permanent obstacle to direct contact with the president of the Republic, who is the commander in chief of the public force (National Police and Armed Forces).

One of the responsibilities that is perhaps well regarded by the young officers—who expect it to be fully complied with—is mentioned in Article 8 of the final temporary dispositions: The Service Qualifying Court must be used to select the members of the involved institutions to join the National Police.

Peru

Explosive Attack at U.S. Embassy Results in One Death

PA2707121893 Lima Radio Programas del Peru Network in Spanish 1150 GMT 27 Jul 93

[Report by Alvaro Ugaz at U.S. Embassy in Lima—live]

[Text] One dead and one injured was the result of a car bomb explosion in front of the U.S. Embassy on Block No. 14 on Garcilaso de la Vega Avenue. We see heavy damage to the Spanish Embassy [as heard] facade, especially in upper floors. A white van with registration plate No. RGI-973 was used to perpetrate this subversive attack, which caused serious injuries to Official Third Class Juan Herrera Moran.

The explosion occurred after a subversive attack in front of the U.S. Embassy. We see heavy police mobilization in this area. The firefighters controlled a fire at the diplomatic building. Members of the bomb squad are conducting investigations.

The explosion produced a hole in the road and broke a pipe and caused a flood in this area. Vehicular traffic continues to be paralyzed on Bolivia and 28 July Avenues. A National Police commander is heading the operation.

The dead, who has not yet been identified, is inside a Volkswagen at the intersection of Spain and Alfonso Ugarte Avenues. He was apparently a victim of the subversive attack, which the embassy security guard repelled. The dead is at the intersection of Spain and Alfonso Ugarte Avenues because the prosecutor has not yet arrived.

Situation 'Calm' After Explosion

PA2707131793 Lima Radio Programas del Peru Network in Spanish 1247 GMT 27 Jul 93

[Report by Alvaro Ugaz at U.S. Embassy in Lima—live]

[Text] The police have been deployed to the intersection of Spain and Alfonso Ugarte Avenues to conduct investigations on a white Volkswagen with registration plate CI-8942, which has a dead person on board. Initial reports issued by (Dirovi) [not further identified] indicate the vehicle was not stolen. A car bomb exploded in front of the U.S. Embassy.

Police Third Class Subofficial Juan Herrera Moran, who was injured during this subversive attack, has been taken to the police hospital. Clean-up operations are taking place in front of the U.S. Embassy. Debris of a van used in this subversive attack is being picked up.

Transportation is back to normal and calm has returned. All activities are being resumed at Block No. 14 on Garcilaso de la Vega Avenue, where the U.S. Embassy is located. Transportation is back to normal. We see a few public transportation units and vans circulating again. Normalcy is back to this area where a car bomb exploded early on 27 July in front of the U.S. Embassy.

Further on U.S. Embassy Attack

PA2707140593 Lima Panamericana Television Network in Spanish 1253 GMT 27 Jul 93

[Text] Here is further information on the attack perpetrated this morning against the U.S. Embassy. Terrorists used a white van with license plates RGI 973, carrying 200 kg of ammonium nitrate fuel oil and dynamite. One assailant was killed while fleeing in a Volkswagen, license plate CI 8942. He has not yet been identified. Among those wounded is third rank NCO Juan Herrera Moran, who lost his arms.

[Begin recording] [Unidentified reporter] At 0700 [1200 GMT] this is the situation at the intersection of Garcilaso de la Vega and Espana Avenues. Tens of police and soldiers are present to try to provide security to the area around the diplomatic mission. The debris of a semiarmored vehicle we are seeing now is strewn around a radius of five or six meters from where it was parked.

This is what the U.S. Embassy building looks like after the firefighters completed their work. The floors on the right side of the building sustained the most damage. The windowsills and wooden structures on the left side of the building were totally destroyed. Can you tell us about the work by firefighters?

[Unidentified firefighter] We just came in to extinguish the fire because of the emergency....[pauses] in the armored vehicle and the interior. Our sole mission is to extinguish the fire.

[Reporter] Have paramedics removed any of the injured?

[Firemen] None. The firefighters have not removed any injured.

[Reporter] Would you say the most damaged area is located on the third floor or the entire building?

[Fireman] Basically the facade was damaged.

[Reporter] The Lima Municipality cleanup crew are removing the large amount of debris of the building, the armored vehicle, and the car bomb used by the terrorists. The shock wave also damaged the facade of a well-known store. The louvered gates are totally destroyed, in addition to a newsstand. [end recording]

Paraguayan Television Interviews Fujimori

PY2407223093 Asuncion Cerro Cora Sistema Nacional de Television Network in Spanish 0200 GMT 14 Jul 93

[Interview with Peruvian President Alberto Fujimori by correspondent Benjamin Fernandez Bogado at Government House in Lima; date not given—recorded; from the "En Detalles" program]

[Text] [Fernandez] First of all, Mr. President, we are extremely pleased at having been able to meet with you, especially taking into account that at this time a great debate is taking place in Paraguay involving the institutions set forth in the new Paraguayan Constitution approved and promulgated in 1992. Our main interest, however, is to analyze with you—the president of another Latin American country—something that you have repeatedly mentioned in your speeches since you became president: the meaning of freedom and democracy. Most especially, we want to know how these two concepts fit in with the self-inflicted coup you staged on 5 April 1992.

[Fujimori] These two concepts must be analyzed in the light of the results that Peru has obtained. Democracy is made up of democratic institutions which play specific roles within the framework of the political system outlined in the constitution. These democratic institutions turned out to be ineffective and unable to cope with and solve the nation's problems.

Let us take a look at a few examples. The democratic institutions established and fine-tuned through the 1979 Constitution by two political parties, the Popular Christian Party, PPC, and the American Popular Revolutionary Alliance, APRA, did not work out. Both the parties that sponsored these democratic institutions took a shot at governing the country. What were the results? The results were: the worst case of terrorism in Latin America, and one of the worst in the entire world; misery and the worst economic crisis in Latin America; and the second worst and longest hyperinflation in the world.

Thus we asked ourselves: Is this what democracy is good for, to plunge us into this abyss? It was obvious, therefore, that the democracy Peru had prior to 5 April 1992 was not working out.

The uprooting of those institutions which had plunged the country into chaos does not necessarily imply a severance from freedom. All political reforms were done here amid full freedom: freedom of the press, and most especially freedom of thought and expression. That is, complete, absolute freedom.

One example that will give you a better idea of the situation is that now there is true university autonomy and freedom of thought and expression. This was not the case prior to 5 April 1992, because the universities were under terrorist control.

Thus when people talk about restrictions against democracy and freedom in Peru, they are not telling the truth. You should ask the people on the streets, they are the best judges there are.

[Fernandez] Mr. President, judging by the opinion polls, you are a popular political figure in Peru. The people on the streets told me this morning that President Fujimori is popular among the most miserable classes. Could one say, therefore, that you are popular because of the misery prevailing in your country?

[Fujimori] I am popular because of my policy of honesty toward public property, because I am eradicating the evils that have been plaguing Peru, because the institutions are being streamlined, and finally because the Peruvian state is doing something in favor of shantytowns and poor villages. The state is actually doing something for the poor by building schools, roads, improving airports, supplying power lines, and building water supply and sewage systems. My popularity is not just a matter of personal preference; there are solid grounds for it. The people are wiser that one would think.

[Fernandez] Mr. President, what is your answer to those who say that you are a dictator?

[Fujimori] I tell them to go and ask the people on the streets what they think of me. They do not think so. Obviously, some traditional politicians, who are hurting from all these reforms that take away the privileges and special considerations they used to have, want to pin the label of dictator on me. The truth is that in the past in Peru, and probably in other countries as well, political leaders divided the country among themselves as if it were the spoils of a war. In Peru this sort of thing is over now. Anybody who does not want to work honestly must go home and let the others do their work in peace.

[Fernandez] Do you see yourself as some kind of Robin Hood in Peruvian traditional politics?

[Fujimori] No, I see myself as a president who was elected and is backed up by the people, who are finally beginning to realize that they have a future. They realize that they have a future in simply comparing the way things are now with how they were in 1990. At that time there was no future, no prospects. It is true that times are difficult now, and everyone has had to tighten their belts, everyone is having to make sacrifices, and they are making these stoically and optimistically.

[Fernandez] I see. Mr. President, when you say that it was obvious that the traditional political leadership had run out of steam, is one to understand that your electoral victory, and the current situation, can be seen as the result of a people's rebellion against the status quo, and is this spirit of rebellion your main support at this time?

[Fijimori] I was elected because the people rebelled through their votes. The people told the political leaders that they were unwilling to put up with them any longer, and that they wanted somebody new, even if this person was not well known, because this person was offering them honesty, technology, and hard work. I have kept true to this promise, and this is why the people support me.

What did we have here in Peru? I explained it clearly at the Bahamas meeting to all the Latin American foreign ministers who gathered there. Peru rebelled against the rule of political parties, not against democracy. There is a difference between the two concepts. Ask anyone you want, it was time for the political parties to go. These political parties were immersed in a crisis, and their leaders, who were negotiating among themselves, were milking the country dry. The people told them that they had had enought of that.

[Fernandez] Mr. President, democracy is based on certain institutions. Can one have a democracy without a congress to oversee what you are doing?

[Fujimori] We have an autonomous congress where the ruling party has the majority. It is obvious that having this majority congress is bound to support the administration's economic policy and government actions in general. I do not believe that any congress where the administration has the majority would oppose the actions of the government.

[Fernandez] You shut down the congress Peru had prior to 6 April 1992.

[Fujimori] I had the support of 92 percent of the population. The current congress has full powers; the only differences are that it has a single chamber, and that it works from 0900 to 1200.

[Fernandez] What was the other congress, then?

[Fujimori] The other one had two chambers, and was sort of part-time and circus-like.

[Fernandez] Mr. President, I would like to ask you about your remark that the previous congress was part-time and circus-like. Does this mean that the people made a mistake when they elected the members of that congress, bearing in mind that they elected you at the same time?

[Fujimori] The people had no options at that time. We had the party system then. The parties presented their tickets, and the people simply had to mark their ballots. That was the system in those days, and the people had no options. The people were not satisfied, however. We did, in fact, have a dictatorship, the dictatorship of the parties. Peru was not the only country in the world where this happened.

[Fernandez] What is your answer to those who say that Peru has exchanged the dictatorship of the parties, as you call it, for a dictator called Fujimori?

[Fujimori] Once again I tell you to go ask the people on the streets what they think about this administration. Ask them if they feel the oppression of dictatorship. Ask them whether they feel that there is more freedom now, more freedom of press, and total freedom of thought and expression.

[Fernandez] If elections were held this very week, and you were to run for president, do you believe you would win?

[Fujimori] I could not forecast the outcome. I do not want to claim the power to attract votes, nor do I want to predict the future.

[Fernandez] Are you working on your reelection as president?

[Fujimori] I repeat, I insist that so far I have not made up my mind about this issue. I want to say, however, that the Peruvian people must have the right to decide whether or not they want to reelect the president in office. This decision must be left to the people, it cannot be left in the hands of a handful of congressmen who also have presidential aspirations, or in the hands of some leaders who see Fujimori's candidacy as a threat. I have not made up my mind yet. First we must draw up the consitution, taking into account national interests, not the interests of other presidential hopefuls—or Fujimori, for that matter.

[Fernandez] Mr. President, within a democracy, the people organize themselves through political parties. Would you say that in this case the people made mistakes by organizing the parties and electing their leaders?

[Fujimori] The leaders made mistakes and broke away from their people, and the people have their own ways of organizing. Why should the system of political parties be imposed on the people? What I mean is that the political parties have no right to impose on the people a choice of four or five options. That is all there is to it. It is up to the people to decide, and in Peru these political parties have no popular support.

[Fernandez] When you are talking about political leaders, what do you mean, how do you describe them?

[Fujimori] They are sort of dictators in their parties, they are the ones who have always fingered the candidates that should be included in the party tickets, acting like true dictators.

[Fernandez] Mr. President, when you staged the self-inflicted coup on 5 April 1992, you said that regionalization had failed in Peru. You also said that instead of solutions, regionalization simply carried the evils of Lima's central system to the regions.

[Fijimori] That is absolutely true.

[Fernandez] Where did this process go wrong?

[Fujimori] It went wrong because the interests of the parties came into play. Look here, in the political parties there are many people who have their own interests. Thus, once they finished dividing the central government among themselves, they started to do the same thing with regional governments. Just imagine: There were 11 regional administrations, and each regional administration supported scores of deputies, each drawing a high salary to participate in regional legislatures which decided nothing at all. This is why the process did not work out. Proof that it did not work out is that one can go into the interior and look in vain for roads and schools, they are nowhere to be seen.

[Fernandez] The system went wrong. Did it go wrong because the 1979 constitution made mistakes, and designed a system which legally speaking was not in keeping with the prevailing status quo?

[Fujimori] Look here, I do not know much about the roots of these mistakes, because I have not studied them. I do go to the shantytowns in Lima and in the provinces, and I ask myself and the people the following question: If the 1979 constitution debated and approved by the representatives of political parties was so beautiful, what has it done for this or that shantytown? This is what the people and the president ask themselves. There are no roads, no schools, no electric power, and no water. Do you believe that the people living in this shantytown believe in the 1979 constitution? The difference between the statements and promises of the politicians and what was actually being done was enormous.

The 1979 constitution did not work out because it established a democratic system which was unable to solve the problems created by violence. Over 25,000 people died in Peru, and I do not know if any country, including yours, would be willing to tolerate two passive democratic administrations during which so many people were killed, while the government adopted a defensive stance and did nothing to resolve the problem.

I accepted the responsibility of running this country, which the people entrusted to me, and running the country meant overcoming the economic crisis, struggling against poverty and misery, and eradicating terrorism. Being the president, and aware of my responsibilities, I was unable to follow the steps of the other two presidents, Mr. Alan Garcia and Architect Fernando Belaunde, who took defensive positions and chose to manage terrorism rather than eradicate it, and talk. I am not prepared to put up with this kind of attitude, and I do not believe that any other Latin American would put up with it. Here in Peru we have done away with formalities in a single swoop, but we also have results to show. I am not saying that in a year's time I will do this or that. I am saying: After one year there will be no terrorism.

I told my people that in 1993 the Tupac Amaru Revolutionary Movement would be defeated, eradicated, annihilated. Most people did not believe me when I said it. Now everyone is convinced that it can be done. Before my term in office is over I will eradicate Shining Path; I will annihilate it for good. I will accomplish something that could not be done in 12 years within the framework of democratic institutions. Thus the people are bound to ask themselves: Why do we need these democratic institutions if they create all these problems for us?

[Fernandez] Mr. President, is one to conclude from all this that democracy does not work, that it is no good?

[Fujimori] No. The democracy Peru had was no good; it did not work out. Many countries have asked me to return to democracy. I have jokingly told many journalists: You are asking me respectfully to restore democracy; you can have the democracy we had in Peru prior to 1992 for free. If you like it so much, why don't you institute it in your country, and run the risk of unleashing terrorism? I have told this to a group of Japanese journalists. They said nothing; they did not answer me.

[Fernandez] Mr. President, do you mean that congress and the judiciary were in cahoots with the seekers of violence?

[Fujimori] No. What we had was a corrupt political system which did not work, and the democratic institutions were unable to cope with terrorism, among other things.

[Fernandez] In your speech [not futher specified] you said, Mr. President, that congress was not doing its job, that congressmen kept on raising their own salaries, that corruption was rampant in congress. Was this widespread, or did it involve only a few congressmen?

[Fujimori] No, it was not widespread, but the system itself did not work.

[Fernandez] Wouldn't it have been easier to punish those who were not doing their job?

[Fujimory] How was I to do this, if the constitution did not give me the necessary tools?

[Fernandez] Were you, therefore, a hostage of the ineffective majority in congress?

[Fujimori] No, the country was being held hostage by the system. Because of this it fell into the grasp of terrorism and corruption. That was the problem.

[Fernandez] Was the judiciary affected as well?

[Fujimori] In all honesty, that is where corruption was most widespread, and the problem has still not been fully resolved although enormous progress has been made. At least now nobody can tell me that a member of the Supreme Court is doing things he should not.

[Fernandez] Having said that the previous system had failed, do you believe that an amendment to the constitution will resolve all the shortcomings and evils that you have mentioned?

[Fujimori] Not necessarily. What we need here is a new political awarness, which will probably give rise to a more conscientious political leadership, and the people should remain watchful as they are now. I believe this is true for most Latin American countries if we want to fight three main evils that plague most of our countries: inefficiency, corruption, and violence. I am waging an all-out struggle against these three evils.

[Fernandez] Mr. President, you are talking about political awareness. Building and shoring up political awarness takes a long time.

[Fujimori] The new political awareness was coming into being over the years here; the trouble was that nobody was aware of it. At the risk of sounding inmodest I had realized that a silent revolution was brewing among the people. I was not wrong.

[Fernandez] Why did these people who supported you also elect a congress which you accused of being inefficient? Why were they right about you, but wrong about the others?

[Fujimori] The electoral system was to blame. Because of the electoral system prevailing at that time, congress was made up the way it was, and I was elected president.

[Fernandez] Your movement, Change 90, was able to run for congress, and it could have obtained the majority?

[Fujimori] Precisely. Change 90 congressional candidates obtained over 20 percent in the first round. I was elected president in the runoff.

[Fernandez] That is right, but you are saying that the people were wrong when they elected the congressmen, but they were right when they chose you?

[Fujimori] The people approve of what I am doing. The government is not behind the opinion polls that prove this to be the case.

[Fernandez] This means that I am right when I say that the people were right about you, but wrong...

[Fujimori, interrupting] By supporting the measures that I implemented on 5 April 1992, the people, including many members of political parties, showed that they did not approve of the allegedly democratic system that prevailed in the country at that time.

[Fernandez] In your opinion, Mr. President, where did the democratic system go wrong? Were the laws, the economic conditions, the social conditions, or the education to blame? What do you think went wrong? Why do you believe democracy has failed in your country?

[Fujimori] Well, I... [changes thought] Generally speaking, one could say that the political parties were to blame. There was no democracy within the parties.

[Fernandez] You have a movement. Was this movement assembled for electoral purposes only, to support your bid for the presidency, and do you believe that your movement is immune to the evils that have contaminated the other parties that you have criticized?

[Fujimori] My party, my movement does not work like a party, because it is not based on the concept of power sharing, and it does not lust after spoils. I founded this movement to bring the people together. Most of the people in the administration do not belong to Change 90, they are capable and honest citizens upon whom the president has called to serve the country.

[Fernandez] Mr. President, what do you think the political parties should learn?

[Fujimori] I should not be giving advice, and it is unlikely that any advice I may give will be accepted, but the political parties and the system will learn from the process that the country is going through.

[Fernandez] Do you believe that the election of an independent candidate broke party tradition in Peru, and has signaled the need to reorganize the party system within the framework of Peruvian democracy?

[Fujimori] Yes, absolutely.

[Fernandez] Will there be new parties after Fujimori?

[Fujimori] Probably, and new leaders as well. In the final analysis it is up to the people to decide.

[Fernandez] Mr. President, after 6 April many people, myself included, wrote articles and commentaries strongly criticizing your self-inflicted coup d'etat. It hurts me to admit that opinion polls show that you are very popular. A short while ago I read an article in the NEWSWEEK magazine on the Fujimori phenomenon. Do you believe that this phenomenon is applicable to Peru alone, or is it sending a message to political parties all over the world?

[Fujimori] One of these U.S. magazines wrote: Democracy hold up [as heard]—that is, fed up with democracy. That is not my opinion, but that of people in those developed countries. It appears that in several countries the people are somewhat tired, exahusted, and I believe that there will be developments, sooner than expected.

[Fernandez] What is your answer to the people who say that Fujimori is not a legitimate president?

[Fujimori] It is not up to the political leaders, but to the people to say what is legitimate. I have asked those who have criticized me: Do you have the support of your people? That is where the key to legitimacy lies.

[Fernandez] You frequently mention corruption as being the target of your government struggle. How can corruption be eradicated, Mr. President?

[Fujimori] Well, the first steps should be the appointment of honest people to replace those whose behavior is unsatisfactory. Normally, that is enough to correct the problem. One must also remain watchful.

[Fernandez] What about exemplary punishments?

[Fujimori] Naturally, if there is call for them.

[Fernandez] It has been said that mathematics teaches one to be fair. You are an engineer.

[Fujimori] Mathematics has taught me to be fair, logical, objective, and cold-minded. I apply these qualities to politics.

[Fernandez] Mr. President, what is it about politicians that you detest?

[Fujimori] I do not detest politicians. I detest the politicians who have plunged us into this crisis, the leaders of traditional political parties.

[Fernandez] When writer Mario Vargas Llosa, your former opponent, bitterly criticizes you around the world and calls you Fujimori the tyrant, what do you feel toward him?

[Fujimori] Absolutely nothing. I hope that one of these days he will pay a visit to Peru and will take a look at what is going on here.

[Fernandez] If he were to visit Peru, would you ask him to address the people?

[Fujimori] Well, first I would give him time to look around and see what is going on throughout Peru.

[Fernandez] Why do you think Vargas Llosa is mistaken about you?

[Fujimori] Perhaps because he is misinformed, and perhaps because he is not directly involved in the process that is taking place in Peru.

[Fernandez] Engineer Fujimori, once you leave the presidency, how would you like to be remembered?

[Fujimori] I would like to be remembered as the president who had set the political system straight, who stood up to terrorism and annihilated it, and who laid the ground for development in Peru.

[Fernandez] What is your answer to those who believe that Fujimori is a hostage of the military?

[Fujimori] Absolutely false. For the first time in Peru, and maybe one of the few times in Latin America, a civilian in power has control over the Armed Forces. Outbursts by certain generals like General Robles or General Salinas were merely attempts at regaining power for the military. There are no parallel civilian and military governments here. This president has a firm control on civilian power.

[Fernandez] Mr. President, there is something else I would like to ask you about. You have mentioned the military, and I would like to know whether the self-inflicted coup was coordinated, discussed with the military?

[Fujimori] Of course. It was discussed with them in the final stages. We had a truly military, well-designed plan, carefully tailored to make sure that the people were aware of the true objectives of the measures that were being taken, and to prevent distortions and casualties. We succeeded.

[Fernandez] Mr. President, does this mean that the military are your allies, or are they your subordinates?

[Fuijimori] They are part of the state and as such they support development.

[Fernandez] On what footing do they negotiate?

[Fujimori] There are no negotiations. I am the Armed Forces commander in chief, I am the one who gives the orders and the instructions.

[Fernandez] Mr. President, within this relationship you have with the military, when you say that you have planned and discussed it with the military, do you mean that they agreed with your reasons for staging a self-inflicted coup?

[Fujimori] Absolutely, absolutely.

[Fernandez] Governing had become impossible?

[Fujimori, interrupting] Absolutely, in agreement.

[Fernandez] Governing had become impossible?

[Fujimori] Sir, the military and the policemen were the ones who suffered most from terrorist actions and the passive attitude of the two previous so-called democratic administrations. Hundreds of them died. The military had to do the fighting, while the administration remained passive, inactive. How could they disagree with my decision to draw a line, defeat terrorism, and rebuild the country? Who among the military or the people would disagree?

[Fernandez] Mr. President, when one listens to the radio, watches television, and especially when one reads the magazines, you are being portrayed as not particularly popular among journalists. How do you manage to be so popular among the people, despite this?

[Fujimori] Well, that is because not all the media are alike. There are some that are more credible than others. For many years, not necessarily after my election, people have been maturing and developing their own political criteria. The headlines that the media run are not necessarily accepted by the common people, who have their own critical opinion about what is being written.

If one were to judge by the headlines, any political analyst would conclude that Fujimori is on his way out, but that is not true.

[Fernandez] This means that the opinion the people have of you is not shaped by the news media?

[Fujimori] The people have reached this opinion on their own.

[Fernandez] Don't they read the papers or listen to the radio?

[Fujimori] They watch television, read the headlines, and listen to the radio, like people do anywhere else in the world.

[Fernandez] But they pay no attention to these media.

[Fujimori] They do not if the media distort the truth.

[Fernandez] Mr. President, do you believe that poverty is your best ally?

[Fujimori] Not at all. My best allies are the people who realize that now there are clear-cut guidelines, that we are experiencing a crisis due to which there are many miserable people, but at the same time they see that there are solutions in sight.

[Fernandez] Can you tell my people, who are expecting a great many things from democracy, whether you expected the very same things when you ran for president, only to find out that reality was quite the opposite?

[Fujimori] Yes. I have fought for the same things, and my three principles—honesty, technology and work—speak for themselves.

[Fernandez] Yes.

[Fujimori] If one is honest, one must take the steps to fight it [not further specified]. What I mean is that I used the mathematician's and engineer's logic that we have talked about to resolve the problems. What does an engineer do when he finds that the design is improper? Before he continues building, he changes the design.

[Fernandez] When you took upon yourself the presidential project, did you believe that the masons, the structure, the steel, the cement, the stone and the sand, were different from what they actually were, or were you perfectly aware of what your job of building the country as the president would be?

[Fujimori] I was partly aware of the facts, which is what prompted me to run for office in 1990. As a university rector and chairman of the rector's council, I had witnessed so many injustices and cases of mismanagement that I could no longer tolerate them.

[Fernandez] Were you disappointed very soon, Mr. President?

[Fujimori] First let me finish my answer. I asked myself—and I am sure many Latin Americans ask the same question—why do Peru and Latin America have so many miserable, poor people? Why are there permanent crises? Why is its foreign debt burden so heavy? After all, Latin America has many capable, enthusiastic people, vast natural resources and territory. I kept on telling myself that this was not fair to Peru, that something was wrong. I kept asking myself what was wrong, and I entered the electoral race.

[Fernandez] Mr. President, is development more likely in a dictatorship?

[Fujimori] No. It is not likely because people oppose dictators, people oppose government actions. This government has no opposition from the people. Certain small groups oppose it. These groups no longer have an influence on the people.

[Fernandez] You have an eastern background, and eastern people have had to develop under very difficult conditions.

[Fujimori] Conditions were very similar here in Peru, because the conditions prevailing in Peru in 1990 were very similar to those in countries that had just come out of a war. The country had been destroyed.

[Fernandez] Does Korea set an example for you, Mr. President?

[Fujimori] I do not follow any examples. Here we apply the Peruvian model to deal with the situation in Peru. We take our problems, design a strategy, and get to work. For this we use oriental patience.

[Fernandez] How long would you need? Two years, three years, five years?

[Fujimori] Starting with the country I received?

[Fernandez] No, to make the necessary reforms.

[Fujimori] That is what I mean. Starting from the country we received, five years will be needed to lay the foundations for our future development.

[Fernandez] Does this mean that more work will be required in the same direction?

[Fujimori] Yes, the work must go on.

[Fernandez] Under the same conditions?

[Fujimori] In the same direction, not necessarily with the same person, but in the same direction.

[Fernandez] What should the congress be like?

[Fujimori] I believe it should be unicameral, with a low number of members, more executive, more effective and efficient, with fewer speeches, and not so many pacts. Between the previous congress and this one there is probably a difference of $80 million.

[Fernandez] How do you believe regionalization should be done?

[Fujimori] By always seeking decentralization and the same concepts: efficiency, results.

[Fernandez] What do you understand decentralization to mean?

[Fujimori] The making of decisions in the provinces, with the adequate management of resources, correctly channelled but under a model that has not yet been defined, and which would allow those resources to give optimum results. As a guideline I have told the regional governments that 90 percent of resources should work in favor of the people, with no more than 10 percent going to administrative expenses.

[Fernandez] Little money? Low salaries for politicians in the future?

[Fujimori] What we seek is efficiency, honesty.

[Fernandez] What does that mean? Less spending? What do you mean when you say 10 percent?

[Fujimori] What I mean is that public money must be managed by thinking of the best results, by using money in a rational manner to make better use of the scant resources. This policy must be implemented at all government levels. What a family does, what a small company does, should be extended to the state organizations.

[Fernandez] What is the meaning for you of the term power?

[Fujimori] A tool not to be used by the one having it for his own benefit, but for the benefit of the people.

[Fernandez] Must power be related to the intelligence of the one exercising it?

[Fujimori] It must be subordinated to some ethical rules. The ethical rules and the practical rules are in the concepts I just mentioned.

[Fernandez] It is said that in Latin America there are three countries that have no democracy: Cuba, Haiti, and Peru. When you are placed under that concept, what do you say to the international community?

[Fujimori] I have absolutely no reaction, because the people here do not believe it. I can put that in headlines every day. Who will think there is a dictatorship here? Absolutely no one. Look at the headlines in the press. I ask myself if in other Latin American countries everybody has those headlines.

[Fernandez] Does that comment bother you, or not?

[Fujimori] Not at all.

[Fernandez] The efforts of the international community to restore democracy in Peru therefore hold no meaning or value for you?

[Fujimori] The efforts are not to restore the democracy we had before 5 April, but to establish a new democratic institutionality which has been endorsed, approved, amd monitored by the OAS.

[Fernandez] Mr. President, you have been very kind to us in this interview. I am leaving confused about Alberto Fujimori. It is difficult for me to typecast you within your own characteristics. I am surprised by many things. What does this prove, Mr. President? I would like you to help me understand if the results you have obtained are part of what is happening in Peru, with Alberto Fujimori as its main participant.

[Fujimori] Certainly, what is happening here is the practice of pragmatism. And I emphasize this. [laughs] Efforts are being made here to resolve the problems. Speeches are not what count here, results are what count, and this is what people all over demand.

[Fernandez] Are you an autocract, Mr. President?

[Fujimori] People could make that evaluation.

[Fernandez] I mean personally.

[Fujimori] No, I am not.

[Fernandez] Had you lived in Japan, would you have liked to be emperor?

[Fujimori] No, in Japan I would not have been concerned about problems. My concern emerged when I saw here in Peru so much injustice.

[Fernandez] The injustice coming from the state?

[Fujimori] From the entire government, from many decades, perhaps centuries.

[Fernandez] You have been very kind in granting us this interview.

[Fujimori] Thank you very much, and some day I hope to visit Paraguay.

[Fernandez] It will be for the second time, because you told me you had already been there once.

[Fujimori] Yes I did, during my honeymoon.

[Fernandez] Was it long ago?

[Fujimori] About 19 years ago.

[Fernandez] Mr. President, good evening, you have been very kind.

[Fujimori] Good evening.

President Fujimori Marks Air Force Day

PA2507001493 Lima Global de Television Network in Spanish 0100 GMT 24 Jul 93

[Text] President Alberto Fujimori presided over the 23 July celebrations marking Air Force Day. It was on a day such as this, 52 years ago, when Captain Jose Avelardo Quinones of the Peruvian Air Force [FAP] gave his life at Quebrada Seca, to protect the nation's sovereignty. That sacrifice was remembered on 23 July, just as every year, during a ceremony at Las Palmas Air Base. Present were President Alberto Fujimori; Jaime Yoshiyama, the president of the Democratic Constituent Congress; ministers of state; and members of the diplomatic corps. General Jose Nadal Paiva, the commanding general of the FAP, stated that his organization is fulfilling its duty to struggle against subversion, block drug trafficking, and support the development of the community with civic action. The president then congratulated the FAP for a job well done, saying that we are on the right course.

[Begin Fujimori recording] In the hero's heaven, Quinones must be prouder than ever to be a Peruvian, of having sacrificed his life for a nation that may have been weakened, but never humiliated; a nation that is now recovering its dignity and moving toward its destiny. [end recording]

The ceremony closed with an air show and a military parade.

Fujimori Criticizes Municipalities Association, Opponents

PA2507191493 Lima Global de Television Network in Spanish 0100 GMT 25 Jul 93

[Text] On 24 July, President Alberto Fujimori all but declared war on the Association of Peruvian Municipalities [Asociacion de Municipalidades del Peru, AMPE], which has joined those who say no to the government, comparing its members to the ingredients in a black porridge.

President Alberto Fujimori, opening a new public utility, was honoring his word by providing electricity to Bocanegra, one of the capital's largest residential.

Those attending the ceremony witnessed one of the president's strongest speeches against the political class.

[Begin Fujimori recording] You have witnessed the dramatic situation created by poor administration on the part of petty politicians, who passed through the Government Palace and left the country in ruins. Now, my friends, we have to make concerted efforts, but with the help of the people, with the people who want progress and not demagoguery. The government will reach agreements with them, with you, my friends. [applause] [end recording]

President Alberto Fujimori inaugurated educational center No. 593 in Surco. Here he directly attacked the political groups that, with AMPE, have been forming an opposition front.

[Begin Fujimori recording] We reject AMPE petty politics. Local governments should not be politicized. They have declared war on me. I answer them with public works projects. [applause] Those who oppose the government are the same people who are cooking the porridge. I call it the porridge. [laughter] I am not talking about purple porridge, I am talking about black porridge. My answer will be to provide electricity, water, and sewage disposal services as well as schools, hospitals, and roads everywhere. I am doing that job. [applause] [end recording]

Opposition Leaders Reject 'Antidemocratic' Constitution

PY2607223793 Lima LA REPUBLICA in Spanish 13 Jul 93 p 4

[Excerpts] A meeting of the main political opposition leaders and union leaders to commemorate the 14th anniversary of the promulgation of the 1979 Constitution concluded last night with a categorical rejection of the autocratic, antilabor, and antidemocratic constitution that most members of the CCD [Democratic Constituent Congress] who support the government are trying to approve.

The meeting was held at 1800 in the Hall of the Americas at the Bolivar Hotel.

The hall was crowded with many people, and the ceremony was held in a climate of profound democratic and constitutionalist fervor.

Present there were political leaders who traditionally maintain clear ideological disagreements, but who are united by a single purpose: to fight for the full implementation of a state of law in Peru, and for the full reestablishment of the constitutional system.

This commemoration was sponsored by the National Coordination for Saying No [Coordinadora Nacional por el NO], a multiparty and pluralist organization battling against the promulgation of the constitution about to be approved within the CCD.

Sitting at the table of honor was Edmundo Haya de la Torre, representing his late brother Victor Raul Haya de la Torre, who presided over and led the debate in the 1979 Constituent Assembly.

Luis Alberto Sanchez, another prominent member of the 1979 Constituent Assembly, was unable to attend the meeting because he is recovering from a recent illness.

However, Sanchez sent a brief message to the meeting stressing the need for an authentic constitution emerging from public consensus, and for full autonomy for the government in power. [passage omitted]

Also present at the table of honor was General Francisco Morales Bermudez, who was head of the military government that made possible the transfer of power to a democratic government in 1980, after a lengthy dictatorship.

Accompanying him at the table were the veteran union leader and former Constituent Assembly member Isidoro Gamarra; Ambassador Hugo de Zela; Armando Villanueva del Campo; Alfonso Barrantes Lingan; and Jorge del Prado.

Together with them, and specially invited to this political ceremony, was General Jose Pastor Vives of the Peruvian Army, representing the arrested General Jaime Salinas Sedo and all the officers who accompanied him in the frustrated attempt to overthrow the self-coup by President Fujimori.

In their various speeches all of them agreed in pointing out that the current draft constitution that the ruling CCD majority wants to approve responds essentially to the dictatorial and autocratic nature of the government of President Fujimori.

They said that if that Fujimori project is approved within the CCD, it is certain that the people will take steps to stop it and make the 1979 Constitution prevail.

Among other political leaders who were following the ceremony at Bolivar Hotel was Gustavo Mohme Llona, national leader of the MDI [Democratic Left Movement] and senator in the congress dissolved on 5 April 1992, who sent a note of support.

Others present at the meeting included Javier Diez Canseco of the Unified Mariateguista Party, Cesar Barrera Bazan of UNIR [National Union of the Revolutionary Left], and Gustavo Espinoza Montesinos, among other leaders on the left.

The presence of Alfonso Grados Bertorini, former labor minister in Fernando Belaunde's government and former Peruvian ambassador to Argentina, was also noted.

Among the former APRA [American Popular Revolutionary Alliance] congressmen and leaders were Mercedes Cabnillas, former senator and former education minister; Jose Barsallo Burga and Agustin Mantilla, also former ministers of the APRA government; Luis Alvarado Contreras; and Humberto Carranza Piedra.

Isidoro Gamarra, the old workers leader and leader of the CGTP [General Confederation of Peruvian Workers], urged the workers of Peru to join the broad No Movement [Movimiento por el NO] with the purpose of defending labor stability and the other essential labor achievements which the current government intends to eliminate with its draft constitution.

Gen. Pastor Vives read a message sent to the ceremony by the arrested Gen. Jaime Salinas Sedo.

Before reading it, those present applauded and supported enthusiastically those military officers who rebelled on the evening of 13 November 1992.

In his message, Gen. Salinas Sedo reaffirmed his objective of restoring and guaranteeing the full implementation of the 1979 Constitution. [passage omitted]

Former APRA Interior Minister Released After 15 Months

PY2707133893 Lima EXPRESO in Spanish 7 Jul 93 p A6

[Excerpt] Agustin Mantilla Campos, former interior minister of the APRA [American Popular Revolutionary Alliance], was released yesterday after spending 15 months in a Police Forces hospital ward.

That same morning Lina Munoz Rodriguez, Alberto Martinez Llanos, and Cesar Romero Martinez of the Lima Penal

Court had rejected a petition by prosecutor Lucia Verastegui Vera to extend the APRA leader's arrest.

Mantilla's lawyer, Humberto Carranza Valdivieso, stated that the court merely implemented Decree Law No. 25824, dated 9 November 1992, according to which any accused person who has spent more than 15 months in prison without being sentenced may be released immediately regardless of his future judgment.

Carranza Valdivieso said: "This proves that there are righteous and honest people in the judicial branch. Agustin Mantilla's release is merely the first step. Now it remains to be proven that the charges of illegal possession of weapons are groundless." [passage omitted]

Shining Path 23 Jul Compulsory Strike Fails

PA2607023193 Lima Global de Television Network in Spanish 0100 GMT 24 Jul 93

[Text] As expected, the compulsory strike convoked by the Shining Path for 23 July received practically no support and went mostly unnoticed by the citizens, who demonstrated their civic spirit by going to work as usual. The civic spirit is definitely above terrorist threats. This was evident throughout Lima where the people moved about as usual ignoring intimidating appeals aimed at producing a compulsory strike that plainly failed.

Urban and rural passenger vehicles and minibuses circulated on their normal routes and found that passengers were at their bus stops on their way to the cities. Students and professors also went to classes, and they did it earlier than usual.

Commercial activities went on as normal and Lima's warehouses, which the day before had gone on a 48-hour [duration as heard] strike, opened their doors to housewives.

Patrols by law enforcement organizations were discreet but effective. There were no incidents and no sabotage.

Foreign Minister Analyzes Inflation, Aid Package

PY2407185093 Lima LA REPUBLICA in Spanish 2 Jul 93 p 3

[Text] Economy and Finance Minister Jorge Camet announced that fuel prices will be moderately adjusted in July, but made it clear that such an increase will not stoke the furnace of inflation in July, which is estimated at around 2 percent.

Camet—who was extremely pleased with the achievements of the Advisory Group for Social Support to Peru—expressed doubt about remaining in office after 28 July because the deadline agreed upon with President Fujimori "is nearing expiration," he said.

When the president invited me to assume the economy portfolio, we agreed upon a deadline for my term in office, which is about to expire. Do not ask me when because that is a subject between the president and I, he said.

Among the rumors as Independence Day approaches—and with it the confirmation or removal of ministers—were that Camet probably would leave the cabinet before the Paris meeting.

But the unquestionable success obtained with creditor countries, which this time opted to support the social sector—so far relegated to the back room in the economic program, together with President Fujimori's singing the praises of the head of the MEF [Ministry of Economy and Finance], resulted in Camet's name being crossed off the list of "removable candidates" and included on the list of the ones who "could be confirmed."

This is the reason why journalists asked him: Will you remain in your post after Independence Day? What do you think, Mr. Camet?

Before that, Camet reported that his team is making studies to determine how much fuel prices will raised (gasoline, oil, kerosene, gas, etc.) in July in order to try to make them comparable to international prices.

He hinted that the increase will be similar to the one implemented periodically and thus ruled out the possibility of food and other prices soaring or inflation running rampant. He stated that July's inflation rate will be approximately 2 percent. He also assured that the annual inflation rate will be 40 percent.

Camet said inflation is under control and that even though it is not possible to forecast with total precision, it is possible to make estimates based on the measures that are being implemented.

He noted that the government is achieving this by means of monetary and fiscal measures, returns from the exchange parity (a 2-percent return in the last few days), lower interest rates, and austerity.

Camet underscored the positive results of the Support Group meeting held in Paris on 21-22 June.

"It has been an acknowledgment of the overall management of the country," he remarked.

The minister of economy and finance stated: "This is the first time in 11 years that Peru met its creditors not to discuss the settlement of its debts but rather to study what type of aid they could grant in order to help the country put an end to poverty."

According to Camet, the total amount of aid to be granted is in the vicinity of $900 million, and it will be exclusively earmarked for social programs. The aid breaks down as follows:

- $340 million from governments;
- $170 million from international organizations and;
- $400 million in credits from multinational organizations.

In the $400-million package there are two loans of $100 million each that will be disbursed by the World Bank and the Inter-American Development Bank [IDB], respectively.

The package also includes a World Bank loan earmarked for health and nutrition programs, an IDB loan to shore up health programs worth $68 million, and another IDB loan of $100 million to support primary education.

The countries attending the meeting were Canada, Germany, Italy, Japan, The Netherlands, France, Switzerland, the United Kingdom, and the United States.

The multilateral organizations present were the Andean Development Corporation (CAF), the IDB, the EEC, the Panamerican Health Organization, the World Food Program, the United Nations, etc.

The minister said the $900 million could end up being more because only three of the 10 country representatives present mentioned the amount of their aid.

The Advisory Group for Social Support to Peru will meet again next April to decide on the amounts still needed, but particularly to jointly review the implementation of the social aid program.

Two missions will arrive in Peru this month to evaluate the loans that will be granted to Foncodes [National Compensation and Social Development Fund].

Representatives of the countries participating in the Paris meeting will come with that delegation.

Before April there will be bilateral meetings with the countries donating the money in order to define how the money they will give us should be used.

There are cases, such as Switzerland, that have mentioned the possibility of pardoning their commercial debt with Peru, amounting to $127 million, on condition that the Peruvian Government use the money for social purposes.

Camet said that in these cases the government must coordinate the amounts assigned to Foncodes, other nongovernmental organizations, and other possible initiatives that Peru could carry out to alleviate the poverty levels in the country.

Investment Protection Agreements Ratified

PY2607213193 Lima EL COMERCIO in Spanish
11 Jul 93 p A4

[Text] The Resolutions Section of "EL PERUANO," the official gazette, carries the resolutions approved by the Democratic Constituent Congress. These resolutions ratify the agreements for promotion and protection of investment with Thailand and Switzerland and an agreement on the differences between investments by the state and by foreign nationals.

The agreement with Thailand was signed in Bangkok on 15 November 1991, while the agreement with Switzerland was signed in Lima on 22 November 1991.

Peru signed the Agreement on the Settlement of Differences Concerning Investments by the State and by Foreign Nationals on 4 September 1991.

With these three resolutions, which were ratified by the Democratic Constituent Congress, Peru reiterates its respect for capital investment contracts and confirms that it will abide by international agreements on those subjects.

Commentary Criticizes U.S. Attack on Baghdad

PY2307233093 Lima EL COMERCIO in Spanish
5 Jul 93 p A2

[Luis Miro Quesada G. Commentary]

[Text] The missile bombing of the Iraqi intelligence headquarters in Baghdad with the resulting eight civilian deaths is, in my opinion, a censurable act, because the magnitude and characteristics of the retaliation are not justified by the alleged reason prompting the attack. To be sure, I feel more sympathetic toward the North Americans than toward the Iraqis, and to put it more exactly toward the respect for freedom, human rights, and democratic principles which holds sway in the United States, and not in Saddam Husayn's Iraq, but that should not invalidate correct judgements.

Before going on with this I want to express once again my personal repugnance of the sinister personality that is Saddam Husayn, an opinion I have already expressed on previous occasions. In January 1993 I said: "Dictatorships, in addition to being condemnable, are dangerous because their actions depend on the will and decision of one individual; especially when this has to do with a megalomaniac, arbitrary, cunning, unscrupulous, and intelligent man, as in the case of Saddam Husayn." And a month earlier I had written: "Saddam Husayn does not care about the lives of the people in considering his political objectives; the right to life is not something that bothers his conscience." These lines are therefore not of defense of a dictator, but of defense of a people who have nothing to do with the wretched plans of the not badly named "butcher of Baghdad." They also indicate concern over what could be happening now "that the lives of the people have no importance in the consideration of political objectives."

And it is precisely because today, as then, I reject the fact that political objectives disregard people's lives, that I began censuring the Clinton government's decision to order the bombing of a military objective in downtown Baghdad, in retaliation for a frustrated plot to murder President Bush apparently promoted or organized by the Iraqi intelligence service. I am writing these lines because I believe that the characteristics of the U.S. retaliation against that plot were out of proportion, abusive, condemnable, and mistaken.

Out of proportion because it was a retaliation against a frustrated plot, which did not even become a murder attempt against an individual, a nonaction without casualties, regardless of how important it might have been. A retaliation was carried out killing eight innocent civilians who had nothing to do with the plot or with the dictator's objectives, while an urban sector of the city was destroyed. Rather than retaliation, which always carries a hint of vengeance, the answer should have been restricted to a response of the same nature; that is, in this case, a murder operation against the Iraqi intelligence chief or against Saddam Husayn himself. This would have made the nature of the retaliation at least explainable.

Abusive because the U.S. action deployed the enormous war power that allows that nation to show it is capable of carrying out war actions without problems or risks, and with the consequences of destruction and death. With the end of the "Cold War" and the end of the USSR, the United States of America has become a country with unparalleled powers of war, with which it has become the virtual police of world order. This implies a freedom to act de facto; it also implies no less than an ethical responsibility, which it is necessary to assume, not to engage in abusive actions of destruction and death.

It was necessary to say the above because until the attack on Baghdad, the United States had acted in support of the UN decisions; but in this case it first carried out the action, and then informed the United Nations about a fait accompli. It is obvious that the Clinton government has acted upon its own, considering, as that president stated, that: "We could not and cannot allow such an action—referring to the plot to murder former President Bush—to remain unpunished." No one can deny that a response was necessary, but we can object to its being the bombing of an inhabited area of the city. It is true that the specific target was the Iraqi Intelligence Service headquarters, but regardless of how precise the war technology may be, no one can guarantee that the destruction will be limited to that target, which unfortunately did not happen.

In the case of Mogadishu the United States raided General Aidid's command post, which was also located in an urban sector of that city; in this case, it was not for retaliation purposes but for softening up the situation to help capture this guerrilla chief. As in the case of Saddam Husayn, General Aidid is also a sinister, infamous fellow who has done whatever lies in his power to hinder the process of international food aid for a people, his own starving and dying people. There had been previous consultations with the United Nations, which approved the action, but which was abusive and condemnable anyway because of the destruction and death it caused.

It is despicable not only because of the destruction and death, but because a country with such unchallenged military power has become both the judge and the party implementing the corrective and/or punitive measures to be adopted against other nations. Our world is certainly a global unit in which there can be no isolationism, because everyone is concerned with everything. We must not—or we should not—remain indifferent to starvation in Somalia, to the indiscriminate killing in Bosnia-Herzegovina, or to the Haitian police state. I think there have always been humanitarian reasons for nations to intervene in countries suffering military, food, political, or racial crises. Yet it is only now that such interventions are feasible because of the military technology and of disappearance of political reasons for a power balance. I said "virtual police of world order," and on saying this I am both right and wrong. I am right because it is a virtual function, which we hope will not come true; and I am wrong because I should have said that it has become the armed branch to which the United Nations can resort for intervening in a country, when it is deemed necessary internationally. This holds true even if we admit the possible inefficiency of the United Nations, which for a year now has permitted in Bosnia-Herzegovina an unacceptable "racial purity" policy and the raiding of cities, which has produced genocide against civilians and the horrors of murder, rape, and refugees.

I am wrong also because the recent operation against Baghdad produced neither deterrent nor pacifying effects, but rather exacerbation and more violence. This type of action turns villains like Husayn and Aidid into heros, and makes enemies out of nations that should be friends. In Somalia, for example, the commendable assistance and pacification work that the United States was undertaking, and which gained the acknowledgement of the Somali people, has become the target of national rejection because of the impact of the air raids in Mogadishu.

Venezuela

Defense Ministry on Alert After Rumors of New Coup Spread

PA2407153193 Paris AFP in Spanish 1444 GMT 24 Jul 93

[Text] Caracas, 24 Jul (AFP)—A wave of rumors regarding the threat of another military uprising spread through Venezuela on 24 July when leading newspapers announced that the Defense Ministry had issued a military alert and implemented extreme security measures at Miraflores Palace in Caracas.

Moderate morning paper EL UNIVERSAL carries the headline "Concern Within the Government Over Reports of Uneasiness Within the National Armed Forces (FAN)" and reports that while the Defense Ministry sent a military alert to several garrisons, certain officers were arrested.

EL UNIVERSAL adds that the arrested officers apparently have connections to the officers who attempted coups on 4 February [1993] and 27 November [1992]. They were to attempt a third uprising, this time against provisional President Ramon J. Velasquez, who in February will complete the term of suspended President

Carlos Andres Perez, who is being prosecuted for alleged embezzlement and misuse of government funds.

EL DIARIO DE CARACAS reports that since the evening of 22 July, four companies of the Miraflores security battalion have been on alert as a result of rumors of instability at several garrisons. They will remain on alert through 25 July.

EL GLOBO also reports the coup rumors, pointing out that Defense Minister Vice Admiral Radames Munoz Leon warned the government at a Council of Ministers meeting of the possibility that a coup d'etat is being planned by mid-level Armed Forces officers.

Interior Minister Carlos Delgado Chapellin dismissed the possibility of a coup attempt against President Velasquez, although he explained that the theory regarding the existence of small destabilizing groups may be valid.

A new security cabinet has been established. It is formed by the foreign affairs, defense, and justice ministers. The measure was taken after alleged terrorist attacks against two Supreme Court of Justice magistrates, who received "letter bombs" from unidentified persons.

Although two of the explosive envelopes were defused, a third exploded and wounded a clerk at the Supreme Court of Justice, the top tribunal that is trying Perez and is considering a trial petition against former Social Christian Party President Jaime Lusinchi (1984-89).

Spokesmen for certain political groups and those of the defense minister have blamed the attacks on alleged foreign terrorists. Others have insinuated that the attacks are the work of minority extremist groups.

Prosecutor General Ramon Escovar Salom blamed minority groups, which he did not identify, for trying to prevent Velasquez from completing his term and hindering the campaign for the 5 December presidential and legislative elections.

It was also announced that FBI technicians and Spanish and Israeli experts are expected to arrive next week to help Venezuelan authorities investigate the attacks.

Defense Minister Denies Coup Attempt Rumors

PA2507020393 Mexico City NOTIMEX in Spanish 0025 GMT 25 Jul 93

[Text] Caracas, 24 Jul (NOTIMEX)—Venezuelan Defense Minister Admiral Radames Munoz denied on 24 July that a new coup d'etat is being plotted, as was reported earlier in the day. Newspaper reports, however, reported that there was a military deployment around the Miraflores Palace, seat of the presidency, on 24 July.

According to the morning newspaper EL DIARIO DE CARACAS, the Army deployed 300 troops, while four companies of the security battalion staged an action known as a type "A" alert.

After denying to newsmen "a third coup d'etat attempt," Munoz announced that his Ministry will adopt a series of measures to prevent "acts of terrorism from continuing to claim unnecessary victims." The vice admiral was referring to the letter bombs that were distributed in Caracas on 19 July.

One of the letters exploded in the Supreme Court building and caused an employee to lose a hand. Another one was found the same day in the home of Gonzalo Rodriguez Corro, Supreme Court president, but was defused.

Caldera Presents Official Presidenial Nomination to CSE

PA2407205693 Caracas Venezolana de Television Network in Spanish 2350 GMT 23 Jul 93

[Report by Jose Marcano]

[Text] Dr. Rafael Caldera said: In my hands Venezuela will not lose hope. He said this during the ceremony in which 11 political organizations, described colloquially by Caldera himself as (El Chiripero), officially presented his candidacy to the Supreme Electoral Council [CSE].

The registration of Caldera's candidacy began at 1100 [1500 GMT]. After the formal ceremony, Caldera attended a rally in Caracas Park where he said that Venezuela needs an economic policy suited to the country and thus there is a need to eliminate the measures of the so-called economic package and implement others that ensure Venezuela recovers in all aspects.

[Begin recording] [Caldera] We must admit that the country is going through dramatic circumstances, such as Dr. [Arturo] Uslar Petri said. This, however, forces us to struggle, work, and overcome the obstacles that present themselves. An economic policy that harms the people so much has to be mistaken. We need to completely review it.

[Marcano] On what will your economic policy be based?

[Caldera] On the country's reality, on the country's needs; not on dogmatic positions. That would be a complete mistake.

[Campaign Director Abdon Vivas Teran] For the first time in many decades in Venezuela, a group of Venezuelans with different political and ideological persuasions have joined forces with Caldera at the center to make a social change, a political change, and ensure decency and honesty in the country's leadership.

[Movement Toward Socialism President Argelia Laya] Our interest in backing Dr. Caldera is not to seek power, it is to assume our responsibility. We know from Dr. Caldera's honesty that he is not going to back down and will fulfill the pledge he made today to all Venezuelans.

[National Integrity Movement Leader Gonzalo Perez Hernandez] With Dr. Caldera in the presidency, which will doubtless be the case, a process of national reconstruction will begin, the recovery of public morals, and basically the reconquering of the Venezuelan people's faith in the democratic system.

[Independent Caldera backer Cristobal Hernandez] Deputy Luis Raul Matos Azocar, at the People's Vanguard Movement, proposed that Dr. Caldera sign a pact with the people before signing an agreement with the IMF. Dr. Caldera did so by today's act. He committed himself to Venezuela to have an honest government, to administer public assets properly for the benefit of the majority. [end recording]

At 1100 on 24 July, Radical Cause Party plans to officially nominate, here at the CSE, Andres Velasquez as presidential candidate.

Fermin Formally Registers as AD Presidential Candidate

PA2307133093 Caracas Venezolana de Television Network in Spanish 2350 GMT 20 Jul 93

[Report by Jose Marcano]

[Text] Claudio Fermin spoke during a ceremony to register him as the Democratic Action, AD, party candidate and said the electoral campaign should be a preamble to a great national accord.

Fermin, accompanied by other AD leaders, arrived at the Supreme Electoral Council, CSE, to formally register his candidacy. After praising his qualities, AD President Pedro Paris Montesinos said the AD offers Fermin's candidacy to the country at a time of crisis, institutional danger, and alienating confusion.

[Begin Paris recording] Claudio Fermin is a youthful and fresh option because of his advanced social ideas and broad education, which make him capable of assuming the responsibility of governing the nation at this difficult time. [end recording]

After presenting his documents to the CSE, Fermin attended a public rally at the Caracas Plaza, where he invited AD members to rescue the image of the people's party. He also invited his contenders to participate in an open and permanent dialogue so they can offer specific solutions to the country's problems.

[Begin Fermin recording] I intend to make public service and the state's bureaucracy a positive instrument of which Venezuela can be proud. I intend to end the squandering and misuse of state funds. [end recording]

Radical Cause Party Candidate Officially Registers

PA2507165693 Caracas Venezolana de Television Network in Spanish 0000 GMT 25 Jul 93

[Report by Jose Marcano]

[Text] Andres Velasquez, presidential candidate for the Radical Cause Party, officially registered at the Supreme Electoral Council. He said the vote is the people's instrument for change.

He said the democratic path, the constitutional path, and the electoral path are the ways to make the changes needed in Venezuela. This was Andres Velasquez' message after being officially proclaimed a presidential candidate. Velasquez asked the Supreme Electoral Council to make the necessary efforts to guarantee the 5 December elections are clean.

Journalists asked Velasquez about the situation in the Armed Forces and he made a call for unity.

[Begin Velasquez recording] I call for reconciliation. That is the call. As you all know, we are proposing the inclusion of one of the commanders involved in the 4 February attempted coup. Lieutenant Colonel Francisco Jose Arias Cardenas, who headed the foiled coup in Maracaibo on 4 February 1992, will head our ticket in Zulia State. That is a way of achieving reconciliation. We must make reorganize our Armed Forces from within. [end recording]

Congress President Octavio Lepage said on 24 July he agrees with the idea of participating in open primary elections to be held by Democratic Action [AD] with the purpose of choosing the first among those on a list of senators from Anzoategui State.

Senator Lepage made the original proposal, which was supported by Secretary General Luis Alfaro. The proposal emerged after the AD National Directorate skipped Lepage when drafting the lists of senatorial candidates. Trusting he will win the open primaries, Lepage said this would set a precedent so that in the future AD can choose its candidates through popular participation.

[Begin Lepage recording] I was the victim of discrimination, which I protest because the AD National Executive Committee [CEN] reserved the right to choose all senatorial candidates. The only case on which the CEN did not decide was mine. I will compete because I do not see this as a struggle between two candidates, which would be an unimportant issue, but as a struggle between two ways of leading or guiding the party and conducting politics in Venezuela from now on. [end recording]

The primary elections will be held during the first week of September. Senator Octavio Lepage asked the AD National Election Committee and the Supreme Electoral Council to help with the elections.

Deputies Approve Special Powers Law in First Debate

PA2407021493 Caracas Venezolana de Television Network in Spanish 2350 GMT 22 Jul 93

[Text] With only 16 days remaining till the end of the congressional session, the Special Powers Law was approved in first debate by the Chamber of Deputies. That law would grant the president special powers to implement urgent economic measures.

The Democratic Action Party and the Copei [Social Christian Party] approved the special powers draft law. The Movement Toward Socialism, the Radical Cause Party, the People's Electoral Movement, and other small organizations abstained.

Luis Enrique Oberto, president of the Chamber of Deputies, explained that all the suggestions and criticisms that emerged during this first debate will be taken into consideration by the finance commission to later draft the respective report and that the second round of debates is expected to begin during the first week of August.

[Begin Oberto recording] It is expected that in the first week of August—meaning the first days of August, in about eight or 10 days—that report will surely be sent to our Chamber to continue the debates on this draft bill. [end recording]

Luis Enrique Oberto, president of the Chamber of Deputies, also reported on the agenda for the week of 26 July. On 27 July, there will be a joint session of the Congress and the Chamber of Deputies to discuss the Christopher Columbus project. On 28 July, the tax on business assets will be approved and, in the afternoon, the draft bill for the Basic Suffrage Law will be sanctioned during a joint session.